

Tuesday, 6th May, 1980

Responding to the continuing fall in U.S. rates the Gilt-edged market has been firm today. Short dated stocks opened about $\frac{1}{4}$ - $\frac{3}{8}$ better and continued to improve, particularly in the longer shorts, for most of the day. As a result, by mid-afternoon rises of up to one point had been established. However, just before the close a little selling came in and prices fell $\frac{1}{8}$ - $\frac{1}{4}$, leaving shorts to close up to $\frac{3}{4}$ better on the day.

Long dated stocks opened $\frac{1}{2}$ - $\frac{3}{4}$ up and immediately put on a further $\frac{1}{4}$. At this level, however, a few sellers appeared, and the market returned to opening levels. For the rest of the day the market was quieter, but enough buying came in to secure a gradual overall improvement. Just before 3.30 stocks in this section had also risen by up to 1 point on balance, but again a little selling brought closing prices in at $\frac{1}{8}$ - $\frac{1}{4}$ below best.

The Industrial market opened better with sentiment being helped by further suggestion of lower interest rates in the near future. This feeling was supported by another drop in American rates at the weekend. However prices did not improve any further and generally drifted back through lack of interest although Property and Hire Purchase shares remained firm. The Electrical Sector encountered some investment support and was generally better throughout. Oil shares tended easier with some profit taking in evidence. In a quiet Stores sector, Mothercare were better following impressive final figures while Marks & Spencer were steady ahead of results for tomorrow. Kaffirs were unchanged as the bullion price moved lower.

Financial Times Index (3.00 p.m.) 444.6 (up 1.0)

<u>C.N.D.</u>	Sales	£	10,745,000
	Purchases	£	10,068,000
	Nett Sales on balance	£	677,000

<u>BANK</u>	Sales	£	28,588,000
	Purchases	£	3,737,000
	Nett Sales on balance	£	24,821,000