

Monday, 19th May, 1980.

The Gilt Edged market was quietly firm at the opening and, where changed, prices were $\frac{1}{16}$ - $\frac{1}{8}$ higher. This, for the most part, was due to some buying which had been seen after hours on the previous Friday after the announcement of the trade figures. This slightly better tendency was, however, short lived and the market drifted lower during the morning, on light selling, so that by midday falls of $\frac{1}{4}$ - $\frac{3}{8}$ were widespread in the long-dated area and $\frac{1}{8}$ - $\frac{1}{4}$ down in the shorts. A slightly firmer tendency was seen during the afternoon and the market was encouraged by the news that Morgan Guarantees had lowered its prime rate from $16\frac{1}{2}\%$ to 16% . The market ended the day looking reasonably steady in very quiet conditions, about $\frac{1}{8}$ below the opening levels.

The Industrial market opened easier following adverse week-end press comment concerning production problems and a lowering of estimates for recoverable reserves in the Ninian oil field of the North Sea. Prices drifted further during the day in quiet trading conditions before some late support helped the market to recover marginally. The Oil sector was active with heavy selling encountered initially, before two-way trade developed at the lower levels. On-shore based shares were weak on reports that the Hampshire oil find may prove to be uncommercial. Property shares were dull, affected by a bearish newspaper article. However, prices generally improved following Land Securities' final results, which exceeded market expectations. Kaffirs saw some investment demand to move higher as the bullion price remained steady.

Financial Times Index (3.00 p.m.)

432.0 (down 3.7)

C.N.D.

Sales

NIL

Purchases

£1,010,000

Nett Purchases on balance

£1,010,000

BANK

Sales and Purchases

NIL