

THE DEPUTY GOVERNOR

FOREIGN EXCHANGE AND GOLD MARKETS

Thursday, 29th May 1980

Currencies ranged less widely than yesterday but with similar speculative forces in command. Sterling lost ground and the ERI fell to 74.4.

After BNOG announced their price increase the pound strengthened in New York last night to close at 2.3637. Today it opened at 2.3527, ranged between 2.3550 and 2.3443 and closed at 2.3487. There were no specific features. Forward margins opened narrower and with interest rates steady the covered premium for sterling rose to 9/16% p.a.

The pound weakened to 4.17 in Germany, 3.87 15/16 in Switzerland and 9.70 1/16 in France. The dollar gained slightly compared with last night but failed to hold better opening levels. The deutschemark eased to 1.7754, having traded between 1.7806 and 1.7727 during the day. EMS was little changed, the French franc weakening to 4.1302 and the lira to 834.20. The Swiss franc was steadier, conceding very little and closing at 1.6517. The yen experienced a similar day: it finished at 233.75 in Tokyo, 233.57 in London.

Gold lacked buying interest and fixed at \$521 and \$519.60.

Operations:	Market	+ \$7 mn.
	Interest	+ 41
	India	+ 12
	Kenya	+ 7
		<hr/>
		+ \$67 mn.
		<hr/>
	Overnight	- \$21 mn.
		<hr/>

29th May 1980
DAHB

DAHB