

Friday, 13th June, 1980.

The Gilt Edged market was firm at the opening following the news that the U.S. Federal Reserve had cut its discount rate from 12% to 11%. Prices improved by  $\frac{1}{8}$  throughout the list and the main feature of the morning was a quite considerable demand for the Government medium-dated tap stock, Exchequer 13 $\frac{1}{2}$ % 1994, which the authorities sold at 40 $\frac{1}{8}$  (40% paid). Long-dated issues remained firm throughout the morning but interest soon switched to the short-dated bonds and there were large buying orders executed at prices about  $\frac{1}{4}$  -  $\frac{5}{16}$  above the opening levels. After some slight hesitation during the afternoon, the market improved again towards the close and ended the week looking firm at the best levels.

The Industrial market opened steady on the last day of the account. Prices tended slightly lower before encountering some investment support and most sectors were firm throughout the rest of the day, to close around the best levels. Sentiment was helped by the latest Retail Sales figures, which indicated a slowing down of the rate of inflation. In a quiet Stores sector, British Home Stores announced capitalisation proposals and a £25 million rights issue of convertible stock. Brewery shares were dull as Guinness fell on the disappointing interim figures. Pilkington were easier on satisfactory final results but a bearish statement on trading prospects. Kaffirs were in demand as the bullion price improved.

Financial Times Index (3.00 p.m.) 452.6 (up 4.1)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	1,755,000
	Nett Purchases on balance	£	1,755,000
<u>BANK</u>	Sales	£	86,569,000
	Purchases	£	4,820,000
	Nett Sales on balance	£	81,749,000