

Thursday, 31st July, 1980.

The Gilt Edged market was easier at the opening and prices were lower by as much as $\frac{1}{8}$ - $\frac{3}{16}$ in the short-dated bonds and $\frac{3}{8}$ - $\frac{1}{2}$ a point in the long-dated issues. Although selling was not particularly heavy, it was persistent throughout the morning and some of the stock was thought to have come from foreign sources. One or two abortive attempts were made to rally the market around midday but these soon failed and, after no announcement of a change in M.L.R., the market continued its downward trend. No recovery took place during the afternoon and, in fact, further sellers were seen and the market ended the day looking rather weak at the lowest levels, with falls of as much as $\frac{1}{2}\%$ or more in the shorts and 1 point or more in the long-dated issues.

The Industrial market opened steady at the overnight levels. Trading conditions were quiet, although there was some investment interest during the morning session. This was not sustained and prices tended to ease later in the day. In the Electrical sector, initial demand continuing the recent trend, gave way to profit-taking. However, Muirhead remained sharply higher on renewed speculation of a possible takeover. Among Food issues, Fitch Lovell final results were well received and the shares improved accordingly. Other stocks in the sector were better in sympathy. Reed International recovered on further consideration of yesterday's figures. Kaffirs were lower in line with the bullion price.

Financial Times Index (3.00 p.m.) 490.8 (up 2.1)

<u>C.N.D.</u>	Sales	£	30,562,000
	Purchases	£	30,537,000
	Nett Sales on balance	£	25,000
<u>BANK</u>	Sales		NIL
	Purchases	£	38,257,000
	Nett Purchases on balance	£	38,257,000