

Thursday, 7th August 1980

The Gilt Edged market was looking rather steadier at the opening and prices were $\frac{1}{8}$ - $\frac{1}{4}$ better in the short dated bonds and $\frac{1}{2}$ % in the long dated issues. This was thought to be due to some bear closing and the appearance of some cheap buyers after the very severe falls which had taken place earlier in the week. This firm tendency continued in all sections throughout the morning and in the absence of any further sellers and with the jobbers short of stock prices rose further, so that by lunch time gains of up to $\frac{3}{4}$ - $1\frac{1}{4}$ points were wide spread. The market continued looking firm during the afternoon on the appearance of further buyers and closed the day at or around the best levels with rises of $\frac{1}{2}$ to $\frac{3}{4}$ of a point in short dated bonds and one point or more in the long dated issues.

The Industrial market opened steadier on the absence of any further selling following yesterdays sharp setback. Prices continued to improve throughout the day on selective buying interest with most sections closing at the higher levels. Electrical, Oil and Banking shares were firm sectors while Food and Insurance issues tended to lack a decided trend. Kaffir shares moved selectively higher on the gold fix price.

Financial Times Index (3.00 p.m.) 478.00 (up 4.9)

<u>BANK</u>	Sales	£7,974,000
	Purchases	£8,093,000
	Nett Purchases on balance	£ 119,000