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Monday, 18th August, 1980.

The Gilt Edged market opened quiet and a little easier, partly in reflection of concern for the future of U.S. rates. Trading was very slow throughout the morning but there were a few sellers in evidence, so that by lunchtime prices in the longer end were showing falls of  $\frac{1}{4}$  -  $\frac{1}{2}$ . In the short market, the feature was a certain amount of selling of Variable stocks where losses of up to  $\frac{1}{2}$  were established. There was little change during the afternoon and the market closed at the lunchtime levels. The Trade Figures, announced at 3.30, were better than had been anticipated, and in after-hours dealings prices regained the majority of their earlier falls.

The Industrial market opened steadily with a lack of significant week-end press comment to influence price movements in any direction. Trade was extremely quiet throughout and most sectors were barely changed on the day. Suggestion that Plessey have lost a large Middle-East contract to a French company caused the shares to weaken. Other Electricals eased in sympathy before recovering as some investment support was seen at the lower levels. Insurance issues were generally firm, extending the recent trend. Royal Insurance were sharply higher on interim results that exceeded market expectations. Clearing Banks were better with Barclays Bank well supported ahead of half-yearly figures due later this week. Kaffirs and Mining Financials were dull as the bullion price declined.

Financial Times Index (3.00 p.m.) 483.8 (Unchanged)

|               |                           |   |            |
|---------------|---------------------------|---|------------|
| <u>C.N.D.</u> | Sales                     |   | NIL        |
|               | Purchases                 | £ | 3,520,000  |
|               | Nett Purchases on balance | £ | 3,520,000  |
| <u>BANK</u>   | Sales                     | £ | 20,589,000 |
|               | Purchases                 | £ | 20,454,000 |
|               | Nett Sales on balance     | £ | 135,000    |