

Monday, 1st September, 1980.

The Gilt Edged market was very quiet and reasonably steady at the opening, although the short-dated bonds, where changed, were $\frac{1}{16}$ - $\frac{1}{8}$ lower. Business was on a small scale throughout the day but a firmer tendency developed during the morning and, on the appearance of a few cheap buyers, the market improved quite sharply so that by lunchtime rises of $\frac{1}{8}$ - $\frac{1}{4}$ in the short-dated bonds and $\frac{3}{8}$ - $\frac{1}{2}$ a point in the long-dated issues were widespread. The market showed some slight hesitation during the early part of the afternoon but improved once again just before the close, to end the day looking quietly firm, at or around the best levels, encouraged perhaps by the strength of sterling.

The Industrial market opened easier on the first day of the new account. Jobbers were initially cautious and marked prices down following pessimistic industrial and economic forecasts. However, there was very little selling and some selective investment interest helped most sectors to improve and close generally unchanged on the day. Electrical issues were reasonably active and encountered two-way business. Thorn-EMI were strong on renewed hope of a trading recovery, while Muirhead were in demand on continuing bid gossip. Leading stocks were better, although Courtaulds were dull on further consideration of their Lancashire mill closures. Dunlop were higher as week-end press comment again suggested an imminent takeover. Breweries, Banks and Properties were quietly firm throughout. Kaffirs were lower in line with the bullion price.

Financial Times Index (3.00 p.m.) 481.4 (down 2.5)

<u>BANK</u>	Sales	£	4,851,000
	Purchases	£	5,472,000
	Nett Purchases on balance	£	621,000