

Friday, 5th September, 1980.

The Gilt Edged market was firm at the opening in all sections and this reflected some quite substantial buying which had been seen after hours on the previous afternoon. The firmer tendency continued in early trading and a considerable demand developed for the Government medium dated tap stock, Treasury 11³/₁₆% 1991 'A' and the authorities were able to reactivate this tap stock at prices of 46 - 46¹/₈ (50% paid). The whole market continued to be firm during the rest of the morning and rises of ¹/₄ - ³/₈ in the shorts, ¹/₂ - ⁵/₈ in the mediums and 1 - 1¹/₄ points in the longs were widespread. The market continued to be firm during the early part of the afternoon but a small part of the early gains were lost when it was announced that the Citi Corporation Bank in New York was raising its prime rate from 11¹/₂% - 12%. This easier tendency was, however, short lived and the market soon recovered and ended the day looking firm, at or just below the best levels.

The Industrial market opened slightly lower following the easier tone on Wall Street. Prices, however, soon recovered the initial losses as renewed buying interest caused all sections to move ahead during the remainder of the day and close at the slightly higher levels. Oil shares were a particularly firm sector on further consideration of yesterday's results from B.P., while Insurance and Property shares registered nett gains. Raybeck moved marginally firmer on the final figures, while Kaffir issues continued higher on the gold fix price.

Financial Times Index (3.00 p.m.) 493.9 (up 3.1)

<u>BANK</u>	Sales	£	141,894,000
	Purchases	£	19,427,000
	Nett Sales on balance	£	122,467,000