

Tuesday, 9th September, 1980.

The Gilt Edged market was quietly firm at the opening and prices were $\frac{1}{8}$ - $\frac{1}{4}$ higher throughout the list. The main feature of early trading was a large demand for the Government medium-dated tap stock, Treasury 11 $\frac{3}{16}$ 1991 'A', and official supplies of this stock were exhausted at a price of 46 $\frac{1}{4}$ (50% paid). Following this event, the market made further improvement on the appearance of some quite substantial buyers and, with the jobbers very short of stock, prices by lunchtime had risen by at least $\frac{1}{4}$ - $\frac{1}{2}$ a point in all sections. The market remained firm during the afternoon though less active in advance of the money supply figures due to be announced at 2.30 p.m. These were more or less as expected but the Treasury statement which followed them was considered to be bullish and was interpreted as meaning that the Government would borrow less in the gilt edged market and that interest rates would fall. As a result of this, buyers appeared and, with the market still short of stock, prices improved sharply just before the close and the whole market ended the day looking very strong with rises of 1 - 1 $\frac{1}{2}$ points being widespread.

The Industrial market opened steady. Prices tended to improve during the day following several reasonable company statements and monetary indicators from the Government. Investment interest was initially rather selective although volume increased towards the close of business. Electrical shares showed renewed strength with Plessey, G.E.C. and Racal as the main features; B.I.C.C. were better on the first-half profits announcement. Banking and Insurance issues were generally well supported. Standard and Chartered Bank were in demand following excellent interim results. Among Papers, Bowater were marginally higher on half-yearly figures. S. Pearson and Pearson Longman were weak after lower profits were revealed. Kaffirs were firm as the gold price fluctuated before ending virtually unchanged.

Financial Times Index (3.00 p.m.) 495.7 (up 3.7)

<u>C.N.D.</u>	Sales	£	659,000
	Purchases		NIL
	Nett Sales on balance	£	659,000
<u>BANK</u>	Sales	£	67,839,000
	Purchases	£	12,974,000
	Nett Sales on balance	£	54,865,000