

Monday, 8th October, 1979.

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The Gilt Edged market was easier at the opening in all sections. The short-dated bonds were $\frac{1}{8}$ - $\frac{1}{8}$ lower and the long-dated issues $\frac{1}{8}$ - $\frac{1}{4}$ down. This tendency was thought to be entirely due to the new measures which had been, or were about to be, taken by the U.S.A. in order to strengthen the dollar and curb their inflation rate. Although selling was not particularly heavy, buyers were conspicuous by their absence and any hopes of an early downward movement in interest rates in the U.K. were thought to have disappeared, at any rate for the immediate future, and, as a result, there was some pressure on the short-dated bonds and this spread down the list to the long-dated issues, so that by lunchtime falls of $\frac{3}{8}$ - $\frac{1}{2}$ a point were widespread. No recovery was seen during the afternoon and, in fact, all sections of the market tended to ease slightly further to close the day looking barely steady at the lowest levels.

The Industrial market opened steady at the beginning of the new account. Prices, however, improved throughout the day on renewed buying interest with most sections closing at or around the best levels. Property shares were firm on week-end Press comment, while Insurance and Electrical shares improved throughout the day. Oil Exploration were sharply higher on confirmation of bid talks, while Ladbroke were suspended at 9.30 a.m. pending an announcement. Kaffir issues, after easing initially, rallied marginally to close above the worst levels.

Financial Times Index (3.00 p.m.) 485.1 (up 4.7)

C.N.D. Sales
Purchases

NIL
NIL

Bank

Sales
Purchases
Nett Purchases on balance

£ 12,605,000
£ 42,581,000
£ 29,976,000