

Wednesday, 24th October, 1979.

The Gilt Edged market opened the day looking easier in every section following the removal of all exchange controls which had been announced by the Chancellor of the Exchequer in the House of Commons after hours on the previous evening. The market took on a very confused appearance but sellers predominated in both the short and long-dated areas of the market for two main reasons; first, that holders of British Government securities would now be tempted to switch into other currencies and, secondly, the distinct possibility that M.L.R. was more likely to rise than to fall in the immediate future. Although there were a few cheap buyers, sellers predominated and it was thought that there was quite a substantial amount of foreign selling, particularly of War 3½% Loan. The market made a slight recovery during the early afternoon but falls of as much as 1 point in the short-dated bonds and almost 2 points in the long-dated issues were widespread and the whole market ended the day looking barely steady at or around the lowest levels.

The Industrial market opened slightly lower, extending last evening's easier tone on the ending of the Exchange Control regulations. Prices continued to move lower throughout the day on selling pressure and, with little or no buying interest, all sections closed at the worst levels. Electrical, Brewery and Oil shares were particularly dull sectors, while Kaffir issues moved against the general trend on the gold fix price.

Financial Times Index (3.00 p.m.) 451.7 (down 10.3)

C.N.D.

Sales		NIL
Purchases	£	96,000
Nett Purchases on balance	£	96,000

Bank

Sales		NIL
Purchases	£	9,744,000
Nett Purchases on balance	£	9,744,000