

Thursday, 25th October, 1979.

The Gilt Edged market was looking slightly steadier at the opening in all sections after the very sharp fall which had taken place on the previous day. Short-dated bonds improved by $\frac{1}{8}$ - $\frac{1}{8}$ and the long-dated issues by $\frac{1}{8}$ - $\frac{1}{4}$. The improvement in the shorts was, however, not maintained and some quite substantial selling took place in this area of the market on fears of higher interest rates. Long-dated stocks, by contrast, although at first losing some of their early gains, remained looking reasonably firm throughout the day and, in fact, improved slightly during the latter part of the morning. Little change in this pattern was seen during the afternoon; shorts remained looking rather weak and prices fell further to close the day with falls of $\frac{3}{8}$ - $\frac{1}{2}$ in some places. Long-dated issues looked reasonably firm with rises of about $\frac{1}{4}$ - $\frac{3}{8}$ in some of the high coupon stocks.

The Industrial market opened cautiously following yesterday's sharp decline on the exchange control announcement. Prices continued to move lower throughout the day on renewed selling, although a little buying was evident at the worst levels. Oil Exploration and L.A.S.M.O. were suspended at 9.30 a.m. pending a bid announcement for the former, with Oil shares moving higher initially but failing to maintain the better levels. Gill & Duffus were a dull feature after the interim results, while McKechnie Group and Berec were slightly higher following their respective announcements. Kaffir shares moved lower on the gold fix price.

Financial Times Index (3.00 p.m.) 444.0 (down 5.5)

<u>Bank</u>	Sales		NIL
	Purchases	£	11,659,000
	Nett Purchases on balance	£	11,659,000