

Friday, 2nd November, 1979.

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The Gilt Edged market was looking easier in all sections at the opening and this reflected some quite substantial selling which had taken place after hours on the previous evening following the publication of the Government's expenditure plans for 1980/81. These received a rather lukewarm reception and fears were expressed about a possible rise in the P.S.B.R. Prices in all sections of the market were marked down quite sharply and falls of $\frac{3}{4}$ of a point, compared to the closing levels on the previous day, were widespread. Selling was not heavy and there was little business at the long end of the market, but in the area of the short-dated bonds quite a large amount of stock came into the market, on fears of a possible increase in M.L.R. Little or no change was seen during the afternoon, although a slight recovery was seen in all sections but the market closed the week looking barely steady, at or just above the lowest levels.

The Industrial market opened slightly easier on the overnight comment on the White Paper on public expenditure. Prices continued to ease throughout the day on lack of buying interest on the last day of the account, with most sections closing at or around the worst levels. Property, Brewery and Building shares were dull sectors, while Electrical shares closed marginally higher on balance. Kaffir issues eased in line with the gold fix price, while Oil Exploration were sharply higher on the possibility of a counter-bid to Lasmo.

Financial Times Index (3.00 p.m.) 430.6 (down 6.1)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	4,587,000
	Net Purchases on balance	£	4,587,000