

Monday, 12th November, 1979.

The Gilt Edged market was easier at the opening in all sections and prices in the short-dated bonds were lower by  $\frac{1}{8}$  -  $\frac{1}{4}$  and in the medium and long-dated sections by  $\frac{1}{4}$  -  $\frac{3}{8}$ . This easier tendency was thought to be mainly due to Press comment over the week-end concerning the imminence of higher interest rates in the U.K. and unfavourable prospects for the economy in general. Selling was not heavy but buyers were keeping well away from the market and this resulted in further falls during the morning, so that by lunchtime the whole market was lower by  $\frac{1}{2}$  - 1 point throughout the list. Short-dated bonds recovered to a certain extent during the afternoon on the appearance of some cheap buyers and ended the day showing falls of not more than  $\frac{1}{8}$  -  $\frac{3}{8}$ . Long-dated issues also appeared to be slightly steadier and closed no worse than at midday, about  $\frac{3}{4}$  down on balance.

The Industrial market opened easier on the possibility of higher interest rates and the week-end Press comment. Prices continued to move lower throughout the day on renewed small selling and, with little or no buying interest, all sections closed at or around the worst levels. Property and Banking shares were dull sectors, while Kaffir issues held steady on the overnight levels. B.P. opened in the new partly-paid form at 6p premium over the 15Op paid but tended to ease marginally and close at only 1p above the offer price.

Financial Times Index (3.00 p.m.) 412.4 (down 8.5)

<u>C.N.D.</u>	Sales	NIL
	Purchases	£ 1,905,000
	Nett Purchases on balance	£ 1,905,000
<u>Bank</u>	Sales	£ 4,669,000
	Purchases	£ 4,625,000
	Nett Sales on balance	£ 44,000