

Thursday, 11th September, 1980.

The Gilt Edged market was easier at the opening in all sections and the short-dated bonds were about $\frac{1}{8}$ lower and the medium and long-dated issues $\frac{1}{8}$ - $\frac{1}{4}$ down. Business was on a fairly small scale compared to the early part of the week but sellers predominated throughout the day and a considerable amount of profit-taking was seen in all sections after the very large rises which had taken place. By lunchtime falls of $\frac{1}{2}$ - $\frac{3}{4}$ of a point were seen throughout the list and few, if any, buyers were seen at the lower levels. The easier trend continued during the early part of the afternoon, although there were one or two attempts to rally. These, however, were short lived and this was due to the fact that there was no announcement of any change in M.L.R. The market closed the day looking barely steady, at or around the lowest levels.

The Industrial market opened marginally lower. Sentiment was adversely affected by the Prime Minister's speech concerning economic problems and speculation that interest rates may not fall in the near future. Profit-taking towards the end of the account caused prices to ease further, although some new account interest helped to steady most sectors later in the day. Clearing Banks and Insurance issues were weak with Prudential Corporation dull following interim figures below market estimates. Merchant Banks were quietly firm and Guinness Peat improved on excellent first-half profits. Among other Financial shares, Akroyd and Smithers were in demand on the recent increase in Gilt-Edge business. The Engineering sector was generally steady. Turner and Newall and Bridon were unchanged on results much as expected. Shipping shares recovered on further consideration of yesterday's rather disappointing figures from Peninsular and Oriental. Kaffirs were easier in line with the gold price.

Financial Times Index (3.00 p.m.) 501.3 (down 0.5)

<u>BANK</u>	Sales		NIL
	Purchases	£	1,445,000
	Nett Purchases on balance	£	1,445,000