

Monday, 22nd September, 1980.

The Gilt Edged market was easier at the opening in all sections and this was thought to be mainly due to a rather unfavourable week-end press coupled with fears that any fall in interest rates was likely to be postponed. Selling was not heavy but the short-dated bonds were about $\frac{1}{8}$ lower and the long-dated issues $\frac{1}{4}$ - $\frac{3}{8}$ down. The market continued to drift downwards during the morning and by lunchtime falls of up to $\frac{3}{8}$ in the shorts and $\frac{1}{2}$ - 1 point in the longs were widespread. Little or no recovery was seen during the early part of the afternoon but a few cheap buyers appeared in the area of the short-dated bonds just before the close and the market ended the day looking barely steady just above the lowest levels.

The Industrial market opened easier on week-end press comment for industrial prospects following the announcement last week of the very disappointing G.K.N. results. Confidence was further undermined by suggestion of worsening unemployment and interest rates remaining at present levels in the near future. Most sectors showed continuing weakness throughout with very little investment support encountered and prices closed around the worst of the day. In weak Building shares, Tarmac were flat on a bearish statement concerning current trading, although interim profits were better than expected. Leading issues were generally dull with Fisons and D.R.G. both lower on first-half figures below market estimates. Oils, Mining Financials and Kaffirs were in demand as commodity prices improved on rumours of escalating Middle Eastern problems.

Financial Times Index (3.00 p.m.) 485.0 (down 9.4)

<u>C.N.D.</u>	Sales	£	1,427,000
	Purchases	£	24,000
	Nett Sales on balance	£	1,403,000

<u>BANK</u>	Sales	NIL
	Purchases	£ 10,304,000
	Nett Purchases on balance	£ 10,304,000