

Wednesday, 1st October, 1980.

The Gilt Edged market was looking firm in all sections at the opening and prices were  $\frac{1}{4}$  higher in the short-dated bonds and  $\frac{1}{2}$  up in the medium and long-dated issues. Part of this rise had taken place after hours on the previous evening and the other part was thought to be mainly due to press comment on the possibility of an improvement in the money supply figures and a reduction in bank lending due to be made next week, coupled with the sharp recovery on Wall Street. This firmer tendency continued throughout the day and, with the jobbers short of stock, caused prices to rise by as much as  $\frac{3}{4}$  - 1 point in the long-dated issues and  $\frac{3}{8}$  -  $\frac{1}{2}$  a point in the short-dated bonds. Some profit-taking was seen during the early part of the afternoon but the whole market closed the day looking firm but just below the best levels.

The Industrial market opened higher, extending yesterday's improvement. Speculation concerning lower interest rates encouraged initial investment demand but this was not sustained and prices drifted slightly below the best levels in later trading. Among generally firm Oil shares, Tricentrol were easier on overseas selling. Graig Shipping were sharply better on their North Sea interests. In a dull Paper sector, Associated Newspapers and Trafalgar House both improved as discussions continue over the nationalisation proposals for the London evening issues. Properties were well supported on the hopes for a cut in interest rates. Brewery shares relinquished earlier gains following the announcement of a general cut in beer production. Kaffirs were higher in line with the bullion price.

Financial Times Index (3.00 p.m.) 484.3 (up 3.3)

<u>C.N.D.</u>	Sales	£	5,118,000
	Purchases	£	5,213,000
	Nett Purchases on balance	£	95,000
<u>BANK</u>	Sales	£	5,742,000
	Purchases		NIL
	Nett Sales on balance	£	5,742,000