

Thursday, 2nd October, 1980.

The Gilt Edged market was easier at the opening in all sections due mainly to the rise in the prime rates of the major American banks from 13% to 13½%, which had taken place after hours on the previous evening. Prices were about $\frac{1}{8}$ - $\frac{1}{4}$ lower throughout the list. Selling, however, was not heavy and by midday the early losses had been regained and in fact prices had improved to show gains of $\frac{1}{8}$ - $\frac{1}{4}$ from the previous night's closing levels. The market hesitated slightly but, when there was no change in M.L.R. at 12.30, it remained looking reasonably steady during the afternoon, although sentiment was not helped by a further rise in the prime rate of Citi Corporation Bank in New York from 13½% - 14%. This, however, had little effect on prices and the market ended the day looking reasonably steady, either unchanged or $\frac{1}{8}$ either side of the opening levels.

The Industrial market opened slightly lower as jobbers cautiously marked prices down after the easier trend towards the close of yesterday's business. Conditions were extremely quiet and most sectors drifted further on lack of any significant interest. Oil shares were fairly active. British Petroleum were better following overnight support from America. Secondary issues encountered renewed speculative demand. Among generally dull Engineering stocks, G.K.N. were initially flat on adverse press comment for future prospects. However, some buying at the lower level helped the price recover partially in later trading. British Home Stores eased following bearish speculation over interim figures due shortly and the sector moved lower in sympathy. Kaffirs weakened in line with the bullion price.

Financial Times Index (3.00 p.m.) 480.1 (down 3.1)

<u>C.N.D.</u>	Sales	£	6,489,000
	Purchases	£	7,664,000
	Nett Purchases on balance	£	1,175,000
<u>BANK</u>	Sales	£	7,677,000
	Purchases	£	7,674,000
	Nett Sales on balance	£	3,000