

Monday, 6th October, 1980.

The Gilt Edged market was firm at the opening in all sections and prices were  $\frac{1}{8}$  higher in the short-dated bonds and  $\frac{1}{4}$  up in the medium and long-dated issues. The main feature of the morning's trading was a substantial demand for the first time, for the Government long-dated tap stock, Exchequer 12% 1998 'A', and the authorities were able to sell a reasonable amount at  $50\frac{1}{8}$  (50% paid). This firmer tendency continued throughout the morning and by lunchtime rises of as much as  $\frac{1}{4}$  in the shorts and  $\frac{1}{2}$  a point in the longs were widespread. The market took a small amount of encouragement from the Wholesale Price figures, which were announced at 2.30 p.m. and the whole market closed the day looking reasonably firm at or just below the best levels.

The Industrial market opened slightly better at the beginning of an important week for various economic indicators. Dealers hope for reasonable banking figures which could initiate a fall in the level of interest rates. Selective investment interest helped prices to improve during the day in thin trading conditions. Oils, Electricals and Insurance issues were generally higher, extending recent firm trends as some institutional demand was encountered. Stores showed widespread gains, although Mail Order shares were easier following the Freeman's interim results, which were below market estimates. Engineering stocks were lower on the announcement of redundancies at the Sankey division of G.K.N. The sector was further unsettled by bearish press comment for future prospects. Kaffirs improved in line with the bullion price.

Financial Times Index (3.00 p.m.) 483.8 (up 4.5)

<u>C.N.D.</u>	Sales	£	7,702,000
	Purchases	£	5,818,000
	Nett Sales on balance	£	1,884,000
<u>BANK</u>	Sales	£	87,297,000
	Purchases	£	27,666,000
	Nett Sales on balance	£	59,631,000