

Wednesday, 8th October, 1980.

The Gilt Edged market was slightly easier in all sections at the opening and prices were about $\frac{1}{8}$ down throughout the list. This easier tendency was thought to be mainly due to rather lukewarm comment on the money supply figures announced on the previous evening and the unlikelihood of any reduction in M.L.R. in the immediate future. Although selling was not heavy, some profit-taking was seen after the rises which had taken place during the previous few days and by lunchtime falls of as much as $\frac{1}{2}$ a point were seen at the long end of the market, while the short-dated bonds were looking reasonably firm in the 1981/83 area; the longer shorts also were about $\frac{1}{8}$ down on balance. A small recovery was seen during the early part of the afternoon on the appearance of some cheap buyers at the lower levels and the market ended the day looking reasonably steady, above the lowest levels.

The Industrial market opened slightly easier as it was realised that there is unlikely to be any immediate fall in interest rates. Prices fluctuated narrowly in very quiet trading conditions and closed just below overnight levels. Oil issues encountered profit-taking with Lasmo and I.C. Gas particularly weak. Ultramar improved on speculative demand in response to renewed takeover rumours. Stores were generally lower with both Harris Queensway and Empire Stores flat following disappointing half-yearly profits. Glaxo were dull ahead of interim figures expected next week. Kaffirs were marginally easier in line with the bullion price.

Financial Times Index (3.00 p.m.) 480.9 (down 2.4)

<u>BANK</u>	Sales	£	17,549,000
	Purchases	£	1,715,000
	Nett Sales on balance	£	15,834,000