

Friday, 10th October, 1980.

The Gilt Edged market was easier at the opening in all sections and this was thought to be mainly due to the Chancellor's speech at the Conservative Party Conference, which reiterated his attitude that interest rates could not be lowered until the Government were certain that the money supply situation was under control. Falls of $\frac{1}{8}$ - $\frac{1}{4}$ were widespread throughout the list but few, if any, sellers were seen at the lower levels. The market drifted downwards during the morning so that by lunchtime falls of up to $\frac{3}{8}$ were seen in all sections. The only exception to this easier tendency was a continued demand for Exchequer 3% 1983 'A'. A few cheap buyers were seen during the early part of the afternoon and the market improved by $\frac{1}{8}$ - $\frac{1}{4}$ from the lowest levels and closed the week looking reasonably steady, about $\frac{1}{4}$ down throughout the list.

At 3.30 p.m. an announcement was made of a new Government issue by tender, which took the form of £800 million Exchequer 11 $\frac{3}{4}$ % Stock 1986 at a minimum price of 95 $\frac{3}{4}$ %.

The Industrial market opened slightly easier on the final day of the account. Prices moved lower during the day as sellers were predominant in most sectors. There was no interest for the new account and prices closed at the worst levels in fairly quiet trading conditions. Insurance shares were weak as investors took profits. The larger Composite companies were particularly flat on rumours of a bearish broker's circular. Leading 'blue chip' shares were easier throughout with Glaxo declining further ahead of results expected next week. I.C.I. were dull on the reported troubles of their Fibres division. Electricals and Oils were initially depressed but recovered marginally in later business. Kaffirs were steady although the bullion price weakened.

Financial Times Index (3.00 p.m.) 465.0 (down 8.7)

<u>C.N.D.</u>	Sales	£	512,000
	Purchases	£	485,000
	Nett Sales on balance	£	27,000
<u>BANK</u>	Sales	£	107,728,000
	Purchases	£	18,345,000
	Nett Sales on balance	£	89,383,000