

Tuesday, 14th October 1980

The Gilt-Edged market was looking firm at the opening in all sections and prices were $\frac{1}{4}$ - $\frac{3}{8}$ above the previous nights closing levels. In the main part this reflected some quite substantial buying which had been seen after hours the previous evening following the acceptance by the Engineering Union negotiators of an 8.2% pay offer. The main feature of the mornings trade was the large demand for the Government long dated 'tap' stock Exchequer 12% 1998 'A' at $50\frac{3}{8}$ (50% paid). After this initial burst of activity the market became much quieter and turned slightly easier so that rises at lunch time were below the best levels. Little or no change was seen during the afternoon and the whole market closed looking reasonably steady with rises of about $\frac{1}{8}$ - $\frac{1}{4}$ throughout the list.

The Industrial market opened higher in response to the proposed single figure wage settlement by the Engineering Unions. Institutional interest helped prices to improve during the day and close around the best levels. The Engineering sector was generally better on the pay agreement. The large employers such as Metal Box, GKN and Tubes were particularly firm. Oil shares encountered active two-way trade. British Petroleum and Shell were well supported and secondary issues improved on speculative buying. Leading 'blue-chip' companies tended higher with Glaxo holding their overnight rise following favourable press comment on yesterday's figures. Kaffirs were easier as the gold price weakened and Mining Financials, notably Consolidated Goldfields, were dull on profit taking.

Financial Times Index (3.00 p.m.) 479.7 (up 7.3)

BANK

Sales	£147,460,000
Purchases	£ 26,337,000
Nett Sales on Balance	£121,123,000