

Friday, 17th October 1980

Oct 17/80

The Gilt-Edged market was looking quietly firm at the opening and prices where changed were $\frac{1}{16}$ - $\frac{1}{8}$ higher following quite substantial falls which had taken place on the previous day. This slightly firmer tendency continued throughout the morning although business was on a very small scale. Figures for the Retail Price Index announced at mid-day had little effect on the market and in fact a few sellers appeared just before lunch so that most of the early gains were lost. The market during the afternoon saw further small sellers and was not encouraged with the news that the Chase Manhattan Bank in New York had raised its prime rate from $13\frac{1}{2}$ - 14%. The market ended the week barely steady with the medium and long dated issues showing falls of $\frac{1}{16}$ - $\frac{1}{4}$, while the short dated bonds were either unchanged or slightly easier.

The Industrial market opened steady following the Mansion House speeches last night which were mildly encouraging for the economic outlook. Prices initially tended higher on selective investment interest but then drifted lower towards the close on lack of business. Stores were generally in demand on further consideration of yesterday's Marks and Spencer interim statement concerning current trading. Electricals were firm as leading issues encountered institutional buyers. Grand Metropolitan improved but Coral Leisure were flat on the announcement that the takeover terms have lapsed following their referral to the Monopolies Commission. Kaffirs were dull as the bullion price weakened.

Financial Times Index (3.00 p.m.) 481.8 (up 1.4)

BANK

Sales	£ 4,710,000
Purchases	£25,412,000
Nett Purchases on Balance	£20,702,000