

Tuesday, 21st October, 1980.

The Gilt Edged market was looking slightly firmer at the opening in all sections and prices improved by about $\frac{1}{8}$ - $\frac{1}{4}$ from the previous night's closing levels. This improvement was thought to be partly due to the strength of sterling and the appearance of a few buyers, some of whom were thought to be from overseas. This firmer tendency continued throughout the morning and by lunchtime short-dated bonds were showing rises of $\frac{1}{4}$ - $\frac{3}{8}$ and the long-dated issues $\frac{3}{8}$ - $\frac{1}{2}$. The market remained firm though rather less active during the afternoon and closed the day looking reasonably steady, at or just below the best levels.

The Industrial market opened steady with most sectors unchanged from overnight quotations. Institutional buyers then appeared and prices improved during the day in fairly active conditions, closing at the best levels. Oil shares were generally in demand following a very bullish press article. Burmah strengthened on renewed merger speculation. British Petroleum and Shell encountered some overseas interest and secondary issues saw widespread support. Electricals were firm, led by G.E.C. and Plessey. Racal were better after a press conference announcing the formation of a new subsidiary company. Hawker Siddeley were easier ahead of results expected tomorrow. Stores were quiet although Mothercare were higher on disappointing interim figures but an unchanged dividend. In the Food sector, Brook Bond were steady following the expected marginal fall in final profits. Australian shares were initially lower on profit-taking but then tended higher in later business. Kaffirs were dull although the bullion price recovered marginally after yesterday's large fall.

Financial Times Index (3.00 p.m.)

482.9 (up 5.4)

BANK

Sales	£	2,532,000
Purchases	£	87,149,000
Nett Purchases on balance	£	84,617,000