

Tuesday, 28th October, 1980.

The Gilt Edged market was easier at the opening in all sections and this was due to the sharp rise in short term interest rates in the U.S.A. However, few, if any, sellers appeared and the market was looking reasonably steady in early trading and some of the early losses were regained by midday. An easier tendency, however, developed in later trading and by lunchtime falls of $\frac{1}{8}$ - $\frac{1}{4}$ were widespread. Little change was seen during the afternoon and the market closed the day looking barely steady at the slightly lower levels, the only firm feature being short-dated variable stocks, which ended the day showing small rises.

The Industrial market opened slightly easier. Sentiment was affected by the Chancellor of the Exchequer who indicated that Money Supply is well in excess of initial targets. He was also non-committal about the possibility of an impending fall in interest rates. Prices tended higher during the day on selective investment but this was not sustained and most sectors closed just above overnight levels. Oil shares were in demand following the Saudi Arabian cut in production which should stabilise the Oil price. Leading issues were well supported with British Petroleum and Tricentral particularly firm features. Secondary stocks were active on strong speculative buying. Stores continued to improve on trading prospects. Electrical retailers, Comet Radiovision and Currys encountered persistent demand. In a quiet Paper sector, Reed International were steady on the anticipated lower interim profits and unchanged dividend. Banks and Insurance shares saw renewed institutional support. Grindlays were dull on bearish press comment. Kaffirs fluctuated narrowly as the gold price weakened.

Financial Times Index (3.00 p.m.) 497.4 (up 1.3)

C.N.D.

and Sales and Purchases NIL

BANK