

Wednesday, 5th November, 1980.

The Gilt Edged market had been easier after hours yesterday and opened at the lower levels this morning, with shorts about $\frac{1}{8}$ down and longs up to $\frac{3}{8}$ down. However any selling appeared to have exhausted itself, and light buying quickly brought improvement in prices throughout the list. By lunchtime shorts were showing net gains of about $\frac{1}{4}$, and longs had returned to yesterday's 3.30 levels. During the afternoon longs attempted to improve again but quickly ran out of steam, and the whole market closed at or just above the lunchtime level. Activity throughout the day remained low.

The Industrial market opened better with sentiment helped by the American election result which is expected to move Wall Street higher this evening. There was very little selling and selective investment interest caused prices to improve during the day and close at the best levels. Oil shares were firm as dealers anticipated American buying. British Petroleum and Shell were particularly strong. Food Retailers improved in sympathy with J. Sainsbury, whose shares were sharply higher. Results and the capitalisation issue were much better than forecast. Gill and Duffus and S. & W. Berisford were firm on the recent strength of the sugar price. The Insurance sector encountered institutional demand after the profit-taking of late. Clearing Banks were steady in two-way trade. Engineering, Properties and Building shares were generally better throughout. Kaffirs were well supported as the gold price increased.

Financial Times Index (3.00 p.m.) 485.7 (up 5.7)

<u>C.N.D.</u>	Sales	£	2,653,000
	Purchases	£	4,692,000
	Nett Purchases on balance	£	2,039,000
<u>BANK</u>	Sales		NIL
	Purchases	£	541,000
	Nett Purchases on balance	£	541,000