

Monday, 17th November, 1980.

Following the rise in the Federal Reserve Discount Rate, and reports in the press that cuts in public spending were proving difficult to achieve, the Gilt Edged market opened easier this morning with falls of up to $\frac{1}{4}$ in shorts and $\frac{1}{2}$ in longs. After a little early selling had been absorbed, the market became quiet and prices tended to rally. By lunchtime shorts were back to overnight levels, and longs were $\frac{1}{4}$ - $\frac{3}{8}$ down. During the afternoon the market remained inactive in front of the Trade Figures, but long prices continued to edge higher, in spite of the rise in the Chase prime rate to $16\frac{1}{4}\%$, to close $\frac{1}{8}$ - $\frac{1}{4}$ down on balance. Following the publication of the October Trade Figures, prices were marked a little higher in after-hours dealings.

The Industrial market opened steady at the beginning of the second week for the current account. Prices fluctuated narrowly before ending lower on the day in quiet trading conditions and ahead of the later announcement of the October Trade Figures. Oil shares were active with two-way business in leading issues. Tricentrol and Shell were steady prior to results expected later in the week. Secondary companies encountered sellers after several bearish press articles concerning forthcoming drilling reports. Insurance shares were generally easier following the marginally disappointing interim statement from Royal Insurance. Stores were steady and Burton Group improved on encouraging press comment about tomorrow's profits statement. Kaffirs were dull as the bullion price declined.

Financial Times Index (3.00 p.m.)

494.5 (down 2.1)

BANK

Sales

NIL

Purchases

£ 834,000

Nett Purchases on balance

£ 834,000