

Friday, 21st November, 1980.

Following the large subscription for Treasury 11^{3/4}% 2003/07 A, as evidenced by the announcement that it would not operate as a tap stock, the Gilt Edged market, which had already been somewhat easier after hours yesterday, opened up to $\frac{1}{2}$ below yesterday's 3.30 prices. There had been sellers late yesterday in order, in some cases, to finance their applications, and news had also come in of a 17% prime rate in the United States. This morning however very little selling materialised and the market soon moved off the lowest levels with Treasury 11^{3/4}% 2003/07 A opening at 39 $\frac{1}{2}$ (40% paid) and soon rising to 39 $\frac{1}{16}$. By lunchtime short-dated stocks were showing little change, while longs were $\frac{1}{4}$ - $\frac{3}{16}$ down on balance. During the afternoon the improvement in prices picked up steam, and by 3.30 shorts were up to $\frac{1}{4}$ better, while longs recovered in many cases to overnight levels. Treasury 11^{3/4}% 2003/07 A in fact closed just above the issue price at 40 $\frac{1}{16}$.

At the close the issue was announced of a further tranche of £1,350 million of Treasury 11 $\frac{3}{4}$ % 1989 at a minimum tender price of 92.

The Industrial market opened slightly easier on the last day of the account. Prices, however, after easing initially, rallied strongly towards the close on rumours of an early reduction in M.L.R. and all sectors closed at the best levels. Electrical, Property and Store issues were particularly firm features, while Kaffirs were again favoured on the higher gold fix price.

Financial Times Index (3.00 p.m.)

506.5 (up 3.3)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	1,113,000
	Nett Purchases on balance	£	1,113,000
<u>BANK</u>	Sales		NIL
	Purchases	£	603,000
	Nett Purchases on balance	£	603,000