

Monday, 24th November, 1980.

The Gilt Edged market was steady at the opening and more or less unchanged from the previous Friday's closing levels at 3.30 p.m., although the sharp improvement which had taken place after hours had almost disappeared. Business was on a very small scale throughout the morning but sellers predominated in advance of the Chancellor's statement at 3.30 p.m. and by lunchtime falls of as much as $\frac{1}{4}$ in the shorts and $\frac{1}{2}$ - $\frac{3}{8}$ of a point in the medium and long-dated issues were widespread. Business continued on a very small scale during the afternoon and a slight recovery was seen just before the close, and the market ended the day looking reasonably steady, about $\frac{1}{4}$ - $\frac{3}{8}$ below the opening levels in all sections.

The Industrial market opened slightly easier on the first day of the new account. Dealers were cautious ahead of the Chancellor's economic package to be announced this afternoon. Prices moved lower during the day as profits were taken after the heavy gains achieved on Friday. Most sectors closed around the worst levels as potential buyers remained disinterested. Oil shares were affected by suggestion of a possible "windfall profits" tax on North Sea oil production. Leading companies were lower and secondary issues with a high North Sea dependence were dull. The Insurance sector was generally easier and Clearing Banks were weak on the prospect of tighter profit margins as a result of any fall in interest rates. Among Financials, Britannia Arrow were firm on speculative demand created by takeover suggestions. Engineers were mainly steady, although Metal Box were sharply lower following very disappointing interim figures. Lucas Industries were dull after bearish comment concerning factory closures. Kaffirs tended higher as the gold price remained virtually unchanged.

Financial Times Index (3.00 p.m.) 506.3 (down 9.6)

BANK

Sales		NIL
Purchases	£	5,782,000
Nett Purchases on balance	£	5,782,000