

Tuesday, 25th November, 1980.

The short and long sections of the Gilt Edged market have performed very differently since the Chancellor's statement. When the market restarted dealings at 4.30 yesterday, short-dated prices improved slightly and held their improvement of $\frac{1}{8}$ for the rest of the afternoon. This morning prices opened at that level and although fluctuating somewhat during the day remained basically firm throughout and closed $\frac{1}{8}$ - $\frac{1}{4}$ above yesterday's 3.30 levels. Long-dated stocks also improved following the restart of dealings, to show rises of about $\frac{3}{8}$ from 3.30 at one time. However at these levels sellers appeared and by the end of the after hours dealings, prices had reverted to the 3.30 position. This morning sellers again appeared almost immediately, and with many investors in the long end already committed, prices fell away quickly to show losses of about $\frac{1}{2}$. Prices continued to ease during the morning and by lunchtime losses of over 1 point had appeared in places. From these levels a slight recovery took place, with trade more two-way, and by the close the market was slightly above the worst, but still showing falls of $\frac{3}{4}$ - 1 point.

The Industrial market opened easier following the overnight comment on yesterday's economic statement from the Chancellor. Prices continued to move lower on profit-taking throughout the day and, with little or no buying interest, most sections tended to close at or around the worst levels. Oil shares, particularly weak after hours yesterday, reacted further on consideration of the supplementary tax for next year but rallied marginally towards the close. Store, Electrical and Kaffir shares were dull sectors, the latter on the gold fix price, while Allied Breweries and B.P.B. were sharply lower after their respective results.

Financial Times Index (3.00 p.m.) 494.8 (down 13.4)

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| <u>C.N.D.</u> | Sales | £ | 3,915,000 |
| | Purchases | £ | 3,207,000 |
| | Nett Sales on balance | £ | 708,000 |

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|-------------|---------------------------|---|-----------|
| <u>BANK</u> | Sales | | NIL |
| | Purchases | £ | 3,011,000 |
| | Nett Purchases on balance | £ | 3,011,000 |