

Wednesday, 26th November, 1980.

The Gilt Edged market was looking reasonably firm at the opening in all sections after the very substantial falls which had taken place on the previous day. Prices throughout the list were  $\frac{1}{8}$  -  $\frac{1}{4}$  higher and this firmer tendency continued during the morning and by lunchtime further improvement was seen in the medium and long-dated areas of the market, to show rises of  $\frac{3}{8}$  -  $\frac{1}{2}$  a point. Short-dated bonds were rather less active but also had improved by about  $\frac{1}{4}$ . The market remained steady at the slightly better levels during the early part of the afternoon but eased by  $\frac{1}{16}$  -  $\frac{1}{8}$  when it was known that the prime rates of several major American banks had risen from 17% to 17 $\frac{3}{4}$ %. In spite of this, the Gilt Edged market remained looking quietly firm and ended the day only just below the best levels.

The Industrial market opened steady after the recent dull tone following the Chancellor's economic speech. Prices moved slightly higher initially on a technical rally but, lack of follow-through caused most sections to react and close marginally easier on balance. Oil shares rallied strongly after the recent dullness aided by the hopes of higher oil prices in the near future, while Kaffir issues held nett rises on the gold fix price. Brewery shares remained unsettled following the disappointing results yesterday from Allied Breweries, while British Oxygen were dull ahead of the forthcoming results.

Financial Times Index (3.00 p.m.) 496.0 (down 1.3)

C.N.D.

and Sales and Purchases NIL

BANK