

Thursday, 27th November, 1980.

The Gilt Edged market was looking reasonably steady at the opening, with little or no change in the medium and long-dated issues but the short-dated bonds were $\frac{1}{16}$ - $\frac{1}{8}$ lower following the rather sharp rise in the prime rate of the major American banks. The market turned slightly easier during the morning and drifted lower on light selling and the absence of any buyers, so that by lunchtime falls of up to $\frac{1}{4}$ - $\frac{3}{8}$ of a point were widespread in the medium and long-dated sections and the short-dated bonds were a further $\frac{1}{16}$ - $\frac{1}{8}$ lower. Little or no change was seen during the afternoon but no recovery took place and the market ended the day looking barely steady, at or around the lowest levels.

The Industrial market opened steady. Prices improved on a broad front as investors showed initial interest. However, most sectors became depressed by several discouraging company statements and closed lower on balance. Oil shares were in demand on further thoughts of higher oil prices and active two-way trade developed in later business. Engineering issues were generally dull on renewed suggestion of a bleak outlook for the sector. B. Elliott confirmed this with lower interim profits, an unchanged first dividend, but a warning that the final will be cut unless there is an upturn in trading prospects. 600 Group were firm against the trend following results much as expected. Leading 'blue-chip' companies were mainly easier. Courtaulds were flat as they barely managed a first half profit, passed the interim dividend and warned of further factory closures. I.C.I. were lower on confirmation of a third-quarter trading loss. The Electrical, Bank and Insurance sectors were generally unchanged. Kaffirs fluctuated narrowly in line with the bullion price.

Financial Times Index (3.00 p.m.) 492.5 (down 2.1)

<u>C.N.D.</u>	Sales	£	1,000,000
	Purchases		NIL
	Nett Sales on balance	£	1,000,000
<u>BANK</u>	Sales		NIL
	Purchases		18,283,000
	Nett Purchases on balance	£	18,283,000