

SECRET

Disk sent to plane 16.45 24/10

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MR. TURNBULL

MARKET REACTION TO TRADE FIGURES

The pound opened this morning at \$1.5995 and DM 2.956. It lost half a cent and one pfennig after the trade figures came out at 1130 but steadily made up ground during the day to close at \$1.6035 and DM 2.954. It is holding that level currently in New York. I understand from the Treasury that there has been no intervention.

The FT-SE 100 index closed at 2159, 30 points down on the day. Most of this fall occurred after 1430 when Wall Street opened and reflects a weakness in Wall Street rather than reaction to the trade figures here.

Developments expected in discussions on ambulance dispute over the next hour and I will telex these to you at Doha when we have further news.

DM

DOMINIC MORRIS

24.10.89

B:DM (SLH)

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