

Market slightly better  
after hours -  $\frac{1}{8}$  better in shares  
 $\frac{1}{4}$  . . . . . longs

Monday, 5th November, 1979.

The Gilt Edged market was looking reasonably steady at the opening and although one or two of the short-dated bonds were looking slightly easier, the rest of the market was steady and unchanged from Friday's close. This state of affairs did not, unfortunately, last very long and soon after dealings started, some quite substantial sellers appeared, particularly in the area of the short-dated bonds, and weakness in this section spread down the list to the medium and long-dated issues. Falls of  $\frac{1}{2}$  -  $\frac{5}{8}$  were widespread by lunchtime and yields of over 14% were seen in both the short and long-dated areas. For some unknown reason, a slight rally followed the announcement of the wholesale prices at 2.30 p.m. but this small recovery was short lived and the market closed the day looking rather weak at the lowest levels, with falls of as much as  $\frac{1}{2}$  -  $\frac{5}{8}$  in some stocks.

The Industrial market opened slightly easier at the beginning of the new account. Prices tended to ease initially on continued small selling and, although a marginal rally was evident, all sections closed at the worst levels. Food, Insurance and Banking shares were particularly dull sections, while Kaffir issues moved selectively higher on the gold fix price. Oil shares eased following the B.P. Offer for Sale announcement, while Lucas and A.B. Foods improved after their respective results.

Financial Times Index (3.00 p.m.) 422.6 (down 9.1)

<u>C.N.D.</u>	Sales	NIL
	Purchases	£ 1,011,000
	Nett Purchases on balance	£ 1,011,000