

Tuesday, 13th November, 1979.

In spite of the rather depressing speeches made by the Prime Minister and the Chancellor of the Exchequer on the previous day concerning the economic outlook and the probable rise in interest rates, the Gilt Edged market opened on a firm note and rises of $\frac{1}{4}$ in the short-dated bonds and $\frac{3}{8} - \frac{1}{2}$ a point in the long-dated issues were seen in early trading. This firmer tendency continued throughout the morning and, with the jobbers short of stock and buyers predominating, quite a substantial amount of stock was sold and prices by lunchtime had improved by as much as $\frac{1}{2}$ a point or more in the long-dated issues. The market remained firm though less active during the afternoon and a few profit-takers were seen just before the close, but the whole market ended the day looking remarkably firm but just below the best levels, after a very large turnover.

The Industrial market opened higher following the various speeches at the Lord Mayor's banquet last evening, aided by the sharply higher tone on Wall Street. Prices continued to improve throughout the day on renewed buying interest and all sections tended to close at or around the best levels. Insurance, Brewery and Electrical shares were particularly firm sectors, while Banking issues failed to maintain the best levels on the base rate increase from National Westminster. Commercial Union moved slightly higher on the interim figures, while Kaffir shares eased in line with the lower gold fix price. B.P. opened higher and the new shares closed 12 pence up at 164 pence.

Financial Times Index (3.00 p.m.)

426.8 (up 13.8)

C.N.D.

Sales		NIL
Purchases	£	1,925,000
Nett Purchases on balance	£	1,925,000

Bank

Sales	£	223,985,000
Purchases		NIL
Nett Sales on balance	£	223,985,000