

Thursday, 16th October 1980

The Gilt-Edged market was quiet and easier in all sections at the opening and prices were about $\frac{1}{8}$ down from the previous nights closing levels. This easier tendency continued throughout the morning and once again was thought to be mainly due to an acute shortage of money and the very high rates which were being paid for overnight funds. A considerable amount of profit taking was seen after the rises which had taken place in the week and in some cases it was thought that investors had bought more stock than they could easily absorb. As a result of this prices fell by up to $\frac{1}{2}$ - $\frac{3}{4}$ of a point at the long end, by lunch time and Exchequer 12% 1998 'A' fell from $50\frac{3}{4}$ - $49\frac{7}{8}$. Short dated bonds were also rather weak and falls of up to half a point were seen in this section of the market. No recovery took place during the afternoon and the market closed the day looking fairly steady at the lowest levels.

The Industrial market opened steady, holding yesterday's late improvement on the Trade Figures announcement. However, with no fall in the Minimum Lending Rate, there was very little buying in evidence and prices tended to drift lower, closing at the worst levels. In the Stores sector, Marks and Spencer half-yearly results were slightly below market expectations but the chairman's statement helped the shares improve marginally. Debenhams were easier following disappointing interim profits. Leading and secondary Oils were active and generally closed higher on balance. Insurance shares, Breweries and Properties were mainly easier as sellers were encountered. Kaffirs were dull as the gold price weakened.

Financial Times Index (3.00 p.m.)

480.4 (down 5.1)

BANK

Sales	£ 4,303,000
Purchases	£39,022,000
Nett Purchases on balance	£34,719,000