

Monday, 20th October, 1980.

The Gilt Edged market was quiet and slightly easier at the opening and prices, where changed, were about $\frac{1}{8}$ lower. Business was on a very small scale throughout the day but this easier tendency continued on fears of higher interest rates in the U.S.A., the cost of overnight money in London and, to a certain extent, the 42 $\frac{1}{2}$ % call due on the recent long-dated tap stock, Exchequer 12% 1998 'A', which is due to be paid at the end of the week. Prices drifted downwards throughout the morning and by lunchtime falls of $\frac{1}{4}$ - $\frac{3}{8}$ were widespread. A slightly firmer tendency developed during the afternoon on the appearance of a few cheap buyers and the long end of the market improved by $\frac{1}{8}$ from the lowest levels. Short-dated bonds also looked slightly steadier, ending the day with falls of $\frac{1}{16}$ - $\frac{3}{16}$.

The Industrial market opened steady at the beginning of the second week for the current account. There was very little business and prices drifted lower during the day on lack of interest, closing around the lower levels. Australian shares were extremely active following the result of their latest Parliamentary elections. Most sectors were sharply higher, although two-way dealing developed which brought prices back towards the end of London trading. Oil issues were initially higher but demand was not sustained and, later in the day, most stocks were dull. Banks and Insurances were quiet and generally unchanged. Royal Bank of Scotland were easier on profit-taking after bearish week-end press comment. Kaffirs were weak as the bullion price declined.

Financial Times Index (3.00 p.m.) 479.5 (down 1.6)

<u>BANK</u>	Sales	£	4,978,000
	Purchases	£	7,946,000
	Nett Purchases on balance	£	3,018,000