

Wednesday, 29th October, 1980.

The Gilt Edged market opened the period showing losses of up to  $\frac{3}{8}$ , in line with the easier tendency which developed in dealings after the close of business on the previous day. This was due to the statement in the House of Commons by the Prime Minister that interest rates would not be lowered whilst loan demand remained at its present level. Selective buying interest was seen at the lower levels and prices regained most of their falls by lunchtime. The announcement in the early afternoon of the increase in the Morgan Guaranty prime rate to  $14\frac{1}{2}\%$  from  $14\%$  caused prices to ease back slightly in light trading, for the market to close on a quiet note.

The Industrial market opened slightly easier following a bearish survey concerning lower industrial production and falling export orders. Sentiment was also affected by the Government's reiteration that interest rates will not fall until monetary indicators are more satisfactory. Prices tended lower during the day and closed around the worst levels in quiet trading conditions. Oil shares eased on profit-taking after recent strength. Engineers and Electricals were generally steady. Lucas Industries were weak on selling ahead of results expected next month. Brewery issues were unchanged but Distillery companies improved following the better than expected final profits from Arthur Bell, whose shares were firm. Kaffirs were higher in line with the bullion price.

Financial Times Index (3.00 p.m.) 492.8 (down 2.7)

<u>C.N.D.</u>	Sales	£	2,565,000
	Purchases	£	1,340,000
	Nett Sales on balance	£	1,225,000