<u>Thursday, 13th November 1980</u>

Overnight reports from America that rates might not after all have to rise, combined with more hopeful news at home on the wages front, and a less belligerent attitude by the CBI, all helped the Gilt Edged market to open firm this morning. Short-dated stocks opened about $\frac{1}{8}$ better and longs about $\frac{7}{8}-\frac{1}{2}$ higher. These prices did not however deter the buyers, and the market improved virtually throughout the morning. By 12.30 long-dated stocks were up to $1\frac{3}{4}$ points higher, while shorts were in places showing rises of over 1 point. The absence of a cut in Minimum Lending Rate brought in a few loose sellers, and prices lost up to $\frac{1}{4}$ by lunchtime. During the afternoon, the market was quieter and price movements small and irregular, so that by the close shorts closed at around the 12.30 levels, while longs were about $1\frac{1}{4} - \frac{1}{2}$ up on the day.

The Industrial market opened higher on the proposed Coal Miners pay settlement and a strong trend on Wall Street overnight. Trading conditions were fairly active with prices closing just below the best levels. Oil shares were in demand with some overseas interest in evidence. Ultramar were initially better with third quarter figures well up to expectations, however the price later drifted on profit-taking. British Petroleum and Shell were particularly firm features. The Food sector was generally higher and J. Sainsbury improved on renewed institutional support. British Sugar were sharply better on increased profits and more than doubled dividend. Tate and Lyle were marked up in sympathy. Stores showed early gains but eased in later business reflecting disappointment at the lower interim results from Boots. Banking and Insurance issues reversed their recent poor trend with some aggressive buyers at the lower levels. Kaffirs were steady as the bullion price remained virtually unchanged.

Financial Times Index (3.00 p.m.)   494.5 (up 7.1)

<u>C.N.D.</u>
Sales   £138,934,000

<u>BANK</u>
Sales   £ 21,736,000