

Wednesday, 3rd December, 1980.

The Gilt Edged market was easier at the opening in all sections and prices were lower by $\frac{1}{8}$ - $\frac{1}{4}$ throughout the list. This easier tendency was thought to be mainly due to the further rises in the prime rates of the major American banks and fears concerning the general situation in Eastern Europe. Selling was not heavy but there were few, if any, buyers and prices drifted lower throughout the morning, so that by lunchtime, although the shorts were looking comparatively steady, the medium and long-dated issues were about $\frac{3}{8}$ - $\frac{3}{16}$ below the opening levels. Little movement was seen during the afternoon and there was no change at the long end of the market but the shorts fell slightly and the whole market ended the day looking barely steady at or around the lowest levels.

The Industrial market opened easier, extending yesterday's trend. Sentiment was further affected by the bearish tone of a leading newspaper article. Prices weakened further as sellers predominated in early trading. However, selective investment interest at the lower levels helped most sectors to close above the worst. Electricals were dull and G.E.C., Plessey and Ferranti all fell ahead of results to be announced tomorrow. Leading and secondary Oil issues were weak on profit-taking. Dealers were influenced by recent tax alterations and threats of escalating Middle Eastern troubles, which may affect oil supplies. Composite Insurance companies were steady and Phoenix Assurance were unchanged on figures in line with estimates. Life stocks were flat following an adverse broker's circular. Pilkingtons were firm on the encouraging interim profits. Kaffirs were easier although the gold price improved marginally.

Financial Times Index (3.00 p.m.) 476.2 (down 5.5)

C.N.D. Sales and Purchases NIL

<u>BANK</u>	Sales		NIL
	Purchases	£	24,089,000
	Nett Purchases on balance	£	24,089,000