

Friday, 25th January, 1980.

The Gilt Edged market was comparatively quiet compared to the previous day and slightly easier in all sections, when the market opened. Prices, where changed, were about $\frac{1}{8}$ - $\frac{1}{4}$ lower throughout the list. Business was on a far smaller scale by comparison with the previous day and the earlier part of the week but sellers continued to be dominant and by midday losses of about $\frac{1}{2}$ - $\frac{3}{4}$ of a point were widespread. Little change was seen during the afternoon and no real recovery took place and the market was slightly discouraged by higher interest rates reported from the U.S.A. In fact, the whole market closed looking barely steady, at or around the lowest levels, with the main feature being the large amount of Treasury 9% Convertible 1980 which the authorities were able to buy on the last day of dealing, before this stock went ex dividend.

On the final day of the account, the Industrial market opened steady at the overnight levels. In early trading, prices eased marginally but some investment interest then caused most sectors to improve during the day. The long awaited terms of the Racial bid for Decca were finally revealed at lunchtime. A straight share offer with no cash alternative slightly disappointed the market but both shares were relatively steady. The Decca directors have recommended the deal to shareholders. In a quiet Engineering sector, the John Brown interim statement of much lower final profits caused the shares to be marked down sharply. Highland Distilleries were flat following the announcement that the bid for the company is to be referred to the Monopolies Commission. Other Distillery shares eased in sympathy. The Oil and Property sectors were generally firm in active trading after recent press comment. Kaffirs tended easier in line with the bullion price.

Financial Times Index (3.00 p.m.) 451.7 (up 3.0)

<u>BANK</u>	Sales	£ 8,927,000
	Purchases	£ 98,859,000
	Nett Purchases on balance	£ 89,932,000