

Tuesday, 5th February, 1980.

The Gilt Edged market opened quite firm, and moved gradually ahead over the morning, prompted by bear closing and a little buying, some of it thought to be of foreign origin. By midday longs were about $\frac{1}{2}$ up with shorts about $\frac{1}{4}$ higher. These prices were held until the publication of the banking figures, which caused an immediate fall in the market of up to $\frac{1}{2}$. At this level trade became two-way, and although prices fell a further $\frac{1}{4}$ this was quickly recovered. Just before the close however some further selling took place, largely in the very long end of the market, and this pushed prices down again. At 3.30 short-dated stocks were showing falls of $\frac{1}{8}$ - $\frac{1}{4}$ on the day, while longs were $\frac{1}{4}$ - $\frac{1}{2}$ down from yesterday's close.

The Industrial market opened slightly higher after yesterday's easier tone. Prices tended to improve initially in early trading but, following publication of the banking figures, most sections turned hesitant and closed below the best levels. Insurance and Oil shares failed to maintain the initial levels, while Shipping issues held earlier gains. Racal were a dull feature on fears of a second bid for Decca, while Kaffir shares recovered initial losses. Aaronson Bros. drifted lower on disappointment with the final figures.

Financial Times Index (3.00 p.m.) 447.6 (up 1.9)

BANK

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|---------------------------|---|---------|
| Sales | | NIL |
| Purchases | £ | 744,000 |
| Nett Purchases on balance | £ | 744,000 |