

Friday, 5th December, 1980.

The Gilt Edged market was quiet and slightly easier at the opening and prices of the short-dated bonds were $\frac{1}{16}$ easier following the rise in the Federal Reserve discount rate from 12% to 13%. Business was on a fairly small scale throughout the morning but buyers were once again holding off in advance of the banking figures due to be published next week and by lunchtime falls of $\frac{1}{16}$ - $\frac{1}{4}$ in the shorts and $\frac{1}{4}$ - $\frac{3}{16}$ in the longs were widespread. The main feature of the day's trading was the large amount of the next maturity, Treasury 11 $\frac{1}{2}$ % 1981, which came on offer and was bought by the authorities. The market remained idle and virtually untested during the afternoon but, when it was known that the prime rate of a major American bank had risen from 18 $\frac{1}{2}$ % to 19%, a few cheap buyers appeared at the lower levels and the market ended the week looking reasonably steady, about $\frac{1}{16}$ - $\frac{1}{16}$ below the opening.

The Industrial market opened unchanged on the final day of the current account. A marked absence of investment support caused prices to move lower during the day and close around the worst levels. There was very little interest in evidence for the long holiday account beginning next week. Electricals encountered profit-taking after yesterday's improvement following the interim results from G.E.C., Plessey and Ferranti. End-of-account selling affected leading Oil issues. British Petroleum, Shell and Tricentrol were particularly weak features. Among steady Food shares, J. Sainsbury were sharply higher on renewed demand in a thin market. The Brewery, Building and Paper sectors were generally easier. Kaffirs were lower in line with the bullion price.

Financial Times Index (3.00 p.m.) 471.8 (down 6.4)

<u>C.N.D.</u>	Sales	£	805,000
	Purchases		NIL
	Nett Sales on balance	£	805,000
<u>BANK</u>	Sales	£	2,505,000
	Purchases	£	86,492,000
	Nett Purchases on balance	£	83,987,000