

Wednesday, 10th December, 1980.

The Gilt Edged market was quite sharply easier at the opening and falls were seen in all sections of the market, as a result of further consideration and press comment on the money supply figures and the Public Sector Borrowing Requirement, which had been announced on the previous day. Short-dated bonds, in early trading, were about $\frac{1}{4}$ down, while the medium and long-dated issues were showing falls of $\frac{3}{4}$ - 1 point. Sellers predominated throughout the day and there was no real attempt to rally. The market continued looking very weak during the afternoon and this sentiment was not helped by the news that the major American banks in New York had raised their prime rates from 19% to 20%. The market, in fact, ended the day at the lowest levels, showing falls of 1 - $1\frac{1}{2}$ points in places throughout the list.

The Industrial market opened steady, showing no further reaction to yesterday's disappointing money supply figures. Business conditions were extremely quiet with selective investment interest helping prices to close around the best levels. Electricals encountered some demand on further consideration of some encouraging results announced recently by several leading companies. G.E.C., Thorn-EMI and Plessey were particularly firm. Oil shares remained generally steady although Imperial Continental Gas continued to weaken following the poor interim profits published yesterday. Clearing Banks were in demand but Merchant Banks and Insurance issues were unchanged. Hanson Trust were better following the increased final profits which exceeded market expectations. Kaffirs were dull as the gold price declined.

Financial Times Index (3.00 p.m.) 469.1 (up 3.2)

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| <u>C.N.D.</u> | Sales | | NIL |
| | Purchases | £ | 190,000 |
| | Nett Purchases on balance | £ | 190,000 |
| <u>BANK</u> | Sales | £ | 2,519,000 |
| | Purchases | £ | 4,549,000 |
| | Nett Purchases on balance | £ | 2,030,000 |