

Thursday, 11th December, 1980.

The Gilt Edged market was again slightly easier at the opening. Although there was little change in the short-dated bonds, the rest of the market was showing falls of $\frac{1}{8}$ - $\frac{1}{4}$ throughout the list. This easier tendency continued during the day on lack of any favourable news on the home front and the continuing rise in American interest rates. A certain amount of business took place in the short-dated bonds, which remained reasonably steady at or around the opening levels but the long-dated issues saw some quite substantial sellers and falls of $\frac{3}{4}$ - $1\frac{1}{4}$ bonds were seen in the high coupon issues. Little change took place during the afternoon and although there were no further changes in prices, the whole market closed the day looking barely steady, at or around the lowest levels in the medium and long-dated issues and more or less unchanged in the short-dated bonds.

The Industrial market opened easier, influenced by another large overnight fall on Wall Street. Higher American prime rates with the suggestion of a further increase adversely affected sentiment. There was a marked lack of investment interest and prices moved lower across a broad front to close around the worst levels. Electricals were flat following a bearish statement from the I.C.L. Chairman concerning future prospects. The I.C.L. final results were below market expectations and the shares were sharply lower. Oil issues were dull on overseas selling but prices recovered partially on the news that most leading companies are to follow British Petroleum and increase petrol charges. The Building sector was generally easier and Redland were weak on interim profits beneath market estimates. Bank, Properties and Insurance shares were dull with very little support to arrest the widespread falls. Kaffirs were lower in line with the bullion price.

Financial Times Index (3.00 p.m.) 457.1 (down 11.5)

<u>C.N.D.</u>	Sales		
	Purchases	£	2,782,000
	Nett Purchases on balance	£	2,782,000
<u>BANK</u>	Sales	£	17,373,000
	Purchases	£	10,871,000
	Nett Sales on balance	£	6,502,000