

Friday, 12th December, 1980.

The Gilt Edged market was looking reasonably firm at the opening and prices improved in all sections, reflecting some quite aggressive buying which had taken place after hours on the previous evening. Short-dated bonds were about $\frac{1}{8}$ - $\frac{3}{16}$ higher and the medium and long-dated issues $\frac{1}{4}$ - $\frac{3}{8}$ up. Business was on a much larger scale during the day and quite considerable interest was shown in the Government medium-dated tap stock, Treasury 11 $\frac{1}{2}$ % 1989 A. There was some straight buying and also quite a large amount of switching into this issue from other stocks, both shorter and longer. The market remained looking firm during the afternoon, although rather less active, and closed the week reasonably steady, at or around the better levels.

Following the sharply lower recent trend, prices opened at the slightly higher levels. Most sections moved ahead in initial trading on bear closing but renewed small selling developed and prices generally closed marginally below the better levels. Oil, Electrical and Insurance issues failed to maintain the higher price, while Kaffir and Australian shares rallied after recent dullness. I.C.L. remained a weak feature on further consideration of yesterday's figures, while A. Guinness improved after the better than expected results.

Financial Times Index (3.00 p.m.) 459.5 (up 3.1)

<u>C.N.D.</u>	Sales	£	2,923,000
	Purchases		NIL
	Nett Sales on balance	£	2,923,000
<u>BANK</u>	Sales	£	5,328,000
	Purchases	£	27,392,000
	Nett Purchases on balance	£	22,064,000