

Wednesday, 17th December, 1980.

The Gilt Edged market was easier at the opening in all sections and this was thought to be mainly due to the rise in the prime rates of the major American banks from 20% to 21%. Prices were about $\frac{1}{16}$ - $\frac{1}{8}$ lower in the short-dated bonds and $\frac{1}{8}$ - $\frac{1}{4}$ down in the long-dated issues. Business was on a small scale throughout the day but sellers predominated and by lunchtime further falls were seen, so that prices in the short-dated bonds were $\frac{3}{8}$ - $\frac{1}{4}$ down and the long-dated issues had fallen by as much as $\frac{3}{4}$ of a point in places. Little change was seen during the afternoon although there was a slight rally before the close, on the appearance of a few cheap buyers, and the market ended the day looking barely steady, about $\frac{1}{8}$ above the lowest levels.

The Industrial market remained firm at the opening, continuing yesterday's trend. Prices improved initially on renewed small investment interest but lack of follow through caused all sections to react and close slightly lower on balance. Oil shares opened sharply higher on further consideration of the latest allocation of North Sea Oil licences but profit-taking was evident at the better levels. Davy International were a firm feature following the bid from Enserck Corporation of America, while Kaffir shares moved in line with the higher gold fix price. M.E.P.C. and Marley moved lower after their respective results, while T. W. Ward's figures were better than expected.

Financial Times Index (3.00 p.m.)

467.7 (down 2.2)

C.N.D.

Sales		NIL
Purchases	£	238,000
Nett Purchases on balance	£	238,000

BANK

Sales		NIL
Purchases	£	3,260,000
Nett Purchases on balance	£	3,260,000