

Monday, 29th December 1980

The Gilt Edged market was very quiet, steady and virtually unchanged in all prices at the opening today after the Christmas holiday. Business was on a fairly small scale to start with and the only feature of the early morning's trading was a demand for the low coupon short dated bonds. The market remained idle and neglected until around mid-day when to everybody's surprise a few quite large sellers appeared of long dated issues and in the absence of any buyers prices were marked down quite sharply so that by lunch time falls of $\frac{1}{4}$ in short dated bonds and $\frac{1}{2} - \frac{5}{8}$ in the long dated issues were wide spread. Little change was seen during the afternoon and the market closed looking reasonably steady in the absence of any further sellers at or around the lower levels.

The Industrial market opened steady after the Christmas holiday. Prices tended slightly higher during the day on selective interest reflecting weekend press comment. Dealing conditions remained extremely quiet. Among better Electricals, Television shares were generally firm, although Trident weakened, following the latest franchise allocations. Stores improved on hopes for increased turnover during the January sales. Oil issues were mixed with British Petroleum easier but Lasso and Tricentral higher on various press articles. The Insurance sector remained depressed ahead of the forthcoming Royal Insurance rights issue. However, Hambro Life were better on suggestion of encouraging prospects. In Financials, Britannia Arrow and Mercantile House were in demand. Kaffirs were dull as the gold price declined.

Financial Times Index (3.00 pm)

469.2 (up 2.3)

C.N.D.

Sales and Purchases

NIL

BANK

Sales

£8,490,000

Purchases

£2,346,000

Nett Sales on balance

£6,144,000