

Friday, 2nd January 1981

The Gilt-Edged market has been extremely quiet today with most investors content to wait until next week before coming to any decisions. There was however a little buying at the opening and this was sufficient to improve prices by $\frac{1}{16}$ - $\frac{1}{8}$ throughout the list. After this initial interest the market became very quiet and showed virtually no change in either direction for the rest of the day. At 3.30 the issue by tender was announced of a further tranche of £1.1 billion of Exchequer 12 $\frac{1}{4}$ % 1999 at a minimum price of 89 $\frac{3}{4}$ (20% paid). At the same time it was also announced that the required minimum Reserve Asset Ratio was to be reduced from 12 $\frac{1}{2}$ % to 10% of eligible liabilities.

The Industrial market opened quietly steady after the New Year recess. Prices tended to improve marginally in extremely thin trading and with little or no influence to affect the market most sections closed at the slightly higher levels. Electrical and property shares continued the recent firm tone while Kaffir issues were unchanged in subdued trading.

Financial Times Index (3.00 pm) 476.7 (up 2.2)

C.N.D.

Sales and Purchases NIL

BANK

Purchases £902,000