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Wednesday, 7th January, 1981.

The Gilt Edged market was slightly easier at the opening and prices were about  $\frac{1}{8}$  lower in the short-dated bonds and  $\frac{1}{8}$  down in the medium and long-dated issues. This was thought to be mainly due to rather lukewarm press comment on the Money Figures for December, announced during the previous afternoon. The market was much less active throughout the day, as is normal when lists are open for a new Government issue, but, in the absence of any fresh buying, a few sellers appeared and by lunchtime falls of  $\frac{1}{4} - \frac{3}{8}$  were widespread in all sections. The market remained very quiet during the afternoon but a few cheap buyers appeared just before the close and the market ended the day about  $\frac{1}{8}$  above the lowest levels.

The Industrial market opened slightly easier, extending the recent trend. Prices continued to drift during the day with very little investment interest. Most sectors closed around the worst levels in very quiet trading conditions. Electricals with a dependence on Government defence contracts showed further weakness. G.E.C. and Racal were particularly flat. Thorn-EMI remained dull ahead of interim figures. Leading 'blue-chip' companies were lower on lack of support; however, Fisons partially recovered following yesterday's sharp fall on the factory closures news. Engineers were generally easier although Davy Corporation were higher as the share price moved more into line with the bid terms from Enserch. The Banking and Financial sectors were weak but Britannia Arrow improved on speculative demand. Kaffirs fell as the bullion price declined.

Financial Times Index (3.00 p.m.) 461.8 (down 5.8)

<u>C.N.D.</u>	Sales		NIL
	Purchases	£	1,403,000
	Nett Purchases on balance	£	1,403,000
<u>BANK</u>	Sales	£	13,470,000
	Purchases	£	17,540,000
	Nett Purchases on balance	£	4,070,000