

Thursday, 8th January, 1981.

The Gilt Edged market was easier at the opening in all sections and prices were about  $\frac{1}{4}$  lower in the short-dated bonds and  $\frac{1}{4}$  -  $\frac{1}{2}$  a point in the medium and long-dated issues. About half this fall had taken place after hours on the previous evening and the other half in early trading after the market opened this morning. The main reason for this easier tendency was thought to be due to the very sharp fall on Wall Street and a slight disarray in the American bond market. Business was on a fairly small scale throughout the morning but sellers predominated and by lunchtime no recovery was seen and, in fact, prices had fallen by a further  $\frac{1}{16}$  -  $\frac{1}{4}$  in all sections. A slightly firmer tendency developed during the afternoon and prices improved by  $\frac{1}{16}$  -  $\frac{1}{8}$  throughout the list and the whole market closed the day looking barely steady, just above the lowest levels.

The Industrial market opened easier with sentiment affected by the sharp overnight decline on Wall Street. However, some selective investment interest at the lower levels helped most sectors to recover partially, although still remaining easier on balance. Trading conditions were quiet and mainly featureless. Electricals and Oils encountered light demand after recent weakness. Thorn-EMI were better ahead of interim profits to be announced tomorrow. The Brewery sector remained flat on further consideration of bearish prospects and the continuing drop in sales. In an unchanged Building sector, English China Clays were higher, reflecting satisfaction over the final results and increased dividend which exceeded market expectations. Kaffirs were dull in line with the gold price.

Financial Times Index (3.00 p.m.) 457.1 (down 3.1)

<u>C.N.D.</u>	Sales and Purchases		NIL
	Sales		NIL
<u>BANK</u>	Purchases	£	39,913,000
	Nett Purchases on balance	£	39,913,000