

12/13/81

Tuesday, 13th January, 1981.

The Gilt Edged market was easier at the opening in all sections and prices were about  $\frac{1}{8}$  -  $\frac{1}{4}$  lower throughout the list. Part of this fall had taken place after hours on the previous evening following the announcement of the CGBR for December. Business was on a fairly small scale throughout the day but a few buyers appeared at the lower levels and by lunchtime the early losses had been regained, and the market was looking reasonably steady at the overnight closing levels. This firmer tendency continued during the early part of the afternoon but the market tended to ease off slightly towards the end of the day and closed looking more or less unchanged in the long-dated issues, while the short-dated bonds showed falls of about  $\frac{1}{8}$  -  $\frac{1}{16}$ .

The Industrial market opened steady. However, trading continued to be influenced by economic uncertainties and industrial disputes with prices drifting lower during the day to close around the worst levels. Business conditions were quiet with a marked lack of investment interest. Leading 'blue-chip' companies were dull. I.C.I. were weak on suggestion of a lower final dividend. Fisons were sharply lower following the abandoning of plans to market a new drug. Among easier Engineering issues, Davy Corporation fell on thoughts that the Enserch takeover bid may fail. The Building sector was mainly unchanged but SGB Group improved on final profits and increased dividend, which exceeded expectations. Banks and Insurance shares remained flat as sellers predominated. Kaffirs were better in line with the bullion price.

Financial Times Index (3.00 p.m.) 449.8 (down 5.3)

<u>C.N.D.</u>	Sales	£	635,000
	Purchases		NIL
	Nett Sales on balance	£	635,000
<u>BANK</u>	Sales	£	3,353,000
	Purchases	£	5,902,000
	Nett Purchases on balance	£	2,549,000