

Tuesday, 20th January, 1981.

The Gilt Edged market was firm at the opening in all sections and prices improved by about $\frac{1}{8}$ in the short-dated bonds and $\frac{1}{4}$ in the medium and long-dated issues. This firmer tendency, which had started yesterday, continued throughout the morning and quite a large amount of buying was seen in all areas of the market, although prices fluctuated within narrow limits, as good or bad news percolated through concerning the release of the American hostages. The market was much quieter during the afternoon and a few sellers appeared at the higher levels, with the result that some of the early gains were lost and the market ended the day looking reasonably steady, with movements either $\frac{1}{8}$ up or down from the opening levels.

The Industrial market opened steady. Prices improved during the day on selective investment interest. Most sectors closed around the best levels in quiet and largely featureless trading conditions. Oil shares were generally easier following adverse press comment. However, among the secondary issues, Candecca were in demand on favourable news of their onshore explorations. The Property sector improved on speculation of a fall in interest rates. Engineers were mainly better, although Davy Corporation were dull on the prospective legal problems over the Enserch bid. Banks and Insurance shares were higher as buyers were encountered after recent weakness. Kaffirs were lower as the gold price declined.

Financial Times Index (3.00 p.m.) 456.5 (up 2.9)

<u>C.N.D.</u>	Sales	£ 5,068,000
	Purchases	NIL
	Nett Sales on balance	£ 5,068,000
<u>BANK</u>	Sales	£ 58,860,000
	Purchases	£ 1,973,000
	Nett Sales on balance	£ 56,887,000