

Thursday, 29th January, 1981.

The Gilt Edged market was quiet and steady at the opening and there was little change in price in any section. A firmer tendency developed, however, soon after trading started and quite a large demand was seen for stock in all areas of the market. In particular, the Bank of England was able to sell the new Exchequer 12% Convertible Stock 1985 at prices varying between $40\frac{1}{4}/40\frac{1}{2}$ (40% paid). By lunchtime rises of $\frac{3}{8}$ - $\frac{1}{2}$ a point were widespread but some profit-taking was seen during the early part of the afternoon and prices in most sections were $\frac{1}{8}$ lower than their best levels. The market, however, closed the day looking reasonably firm with rises of $\frac{1}{4}$ - $\frac{3}{8}$ throughout the list.

The Industrial market opened slightly easier. However, most sectors staged a technical rally during the day on selective investment interest with jobbers short of stock. Prices again drifted lower in later trading, but still remained better on balance. Electricals were active with Racal Electronics firm on interim results in line with market expectations and an encouraging statement concerning future prospects. Other leading issues improved in sympathy. Muirhead encountered speculative buying as bid rumours were revived. The Insurance sector saw renewed demand on further consideration of some favourable brokers' circulars. Oils were initially weak but recovered partially as support appeared at the cheaper levels. Building shares were dull on the poor outlook for the construction industry. Kaffirs were flat as the gold price declined sharply.

Financial Times Index (3.00 p.m.) 463.3 (up 3.9)

<u>C.N.D.</u>	Sales	£	2,068,000
	Purchases	£	NIL
	Nett Sales on balance	£	2,068,000
<u>BANK</u>	Sales	£	44,692,000
	Purchases	£	6,157,000
	Nett Sales on balance	£	38,535,000