<u>Friday, 30th January, 1981</u>.

The Gilt Edged market was firm at the opening and prices had improved in all sections to show rises of $^1/_{16}$ - $^1/_8$ in the short-dated bonds and $^1/_4$ - $^3/_8$ in the medium and long-dated issues. The main feature of early trading was a further quite substantial demand for the new Government 12% Convertible 1985 Stock which improved from $40^7/_{16}$ to $40^3/_4$ (40% paid) and also quite a large demand for the long-dated issues, and these by lunchtime were showing rises of $^3/_8$ - $\frac{1}{2}$ a point. The market showed a slightly easier tendency in the early part of the afternoon and some of the gains were lost, in spite of the news that some major American banks had cut their prime rates from 20% to $19\frac{1}{2}$%. The market closed the week looking reasonably firm with the short-dated bonds either unchanged or $^1/_{16}$ higher and the long-dated issues about $^1/_8$ - $^1/_4$ below the best levels.

The Industrial market opened steady. Prices fluctuated narrowly during the day in mainly featureless conditions, closing slightly higher on balance. Electricals were in demand with leading issues encountering substantial investment interest. G.E.C. and Plessey were particularly firm. Racal Electronics showed renewed strength on further consideration of yesterday's interim results and encouraging statement. Engineering shares were generally better with John Brown remaining steady on the unchanged half-yearly dividend. Oils and Stores were well supported, while the Insurance sector remained quietly firm. Among Financial issues, U.D.T. were sharply higher following a counter bid from the Trustee Savings Bank, which exceeded the original terms offered by Lloyds and Scottish. Kaffirs improved in line with the bullion price.

Financial Times Index (3.00 p.m.)			465.4 (up 2.3)
<u>C.N.D</u>.	Sales and Purchases		NIL
<u>BANK</u>	Sales	£	87,272,000
	Purchases	£	38,011,000
	Nett Sales on balance	£	49,261,000