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Dec. 30/12
MR GILL
THE DEPUTY GOVERNOR'S PRIVATE
SECRETARY ✓

Copies to Mr Fforde
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Mr George
Mr Byatt
Mr Foot
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Mr Allen/Mr Iles
Miss Bulloch/
Ms Lowther
Mr Erskine
The GPS

CE 1/16A
MONEY MARKETS DURING THE WEEK ENDED 29 DECEMBER

This holiday week, comprising only 2 1/2 business days, was uneventful, even though the sum of the daily shortages was in the region of £1 bn. Much of this figure was accounted for by bank bills maturing in our hands and, with several houses anyway facing multiplier problems and anxious to sell paper, we had little difficulty in managing the position.

We dealt during this period in bands 1, 2 and 4, at unchanged stop rates - 14 3/8, 14 3/8 and 14 1/2% respectively; and we did repos for 7 days at a stop rate of 14 3/8% on Christmas Eve.

(but easier this morning)
Rates showed little change over the week, save for last night's weakness at the short end, resulting from the provision of more assistance than was, on hindsight, necessary to balance the market.

The Treasury bill tender on Christmas Eve produced an average rate of discount of 14 13/16%. There are no indications that tomorrow's outcome will be much different.

Money Markets Division
30 December 1981

A R Latter (4710) ay.
HO-G