

Friday, 7th December, 1979.

The Gilt Edged market was very quiet and looking reasonably steady at the opening, although one or two of the short-dated bonds were  $\frac{1}{16}$  -  $\frac{1}{8}$  lower. Business was once again on a fairly small scale throughout the day but the easier tendency which had developed in the early part of the week continued and sellers predominated. For no very clear reason, prices continued to fall throughout the morning so that by lunchtime they were at least  $\frac{1}{4}$  -  $\frac{3}{8}$  below the opening levels in the short-dated bonds and  $\frac{5}{8}$  -  $\frac{3}{4}$  down in the longer dated issues. Mediums remained reasonably steady and some switching was seen from the longs into the medium-dated area, where it was possible to achieve a quite substantial improvement in yield. Little change was seen during the afternoon but the market saw a few cheap buyers just before the close and it ended the week about  $\frac{1}{16}$  -  $\frac{1}{8}$  above the lowest levels.

The Industrial market opened easier on the last day of the account. Prices firmed towards the close on new time buying interest, but, generally, conditions remained quiet. G.E.C. and Racal improved on further consideration of yesterday's disappointing interim results. Banks and Insurance shares hardened. Cableform were in demand when they returned from suspension, on the bid from Tricentrol. Pilkingtons remained dull on further consideration of the £60.3 million rights issue announced earlier in the week. Kaffirs were narrowly mixed as the gold price eased.

Financial Times Index (3.00 p.m.)

411.8 (up 0.1)

C.N.D.

and

Sales and Purchases

NIL

Bank