

Monday, 31st December, 1979.

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The Gilt Edged market today was unable to maintain its recent quietly firm tone. Developments in Afghanistan and more particularly the impending steel strike combined to keep buyers away and prices opened about $\frac{1}{8}$ down throughout the list. Sellers then appeared largely in shorter-dated stocks, and the whole market eased away during the morning. By lunchtime losses of $\frac{1}{2}$ - $\frac{5}{8}$ had been established in shorts while longs were about $\frac{3}{8}$ down. Variable coupon stocks, however, were firm. During the afternoon business largely evaporated but some longer shorts lost a little further ground. Prices closed reasonably steady at the lower levels.

The Industrial market opened cautiously on the implications of the National Steel strike, which is due to begin on Wednesday. Prices tended to drift lower on the final trading session of the year in extremely quiet conditions and, with little evident support, all sections closed easier on balance. Thorn were a dull feature on adverse week-end press comment, while Oil, Electrical and Banking issues drifted lower throughout the day. Kaffir shares remained steady following the higher gold fix price.

Financial Times Index (3.00 p.m.) 413.5 (down 4.3)

BANK

Sales	NIL
Purchases	£ 8,136,000
Nett Purchases on balance	£ 8,136,000