

Wednesday, 2nd January, 1980.

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The Gilt Edged market was easier in all sections at the opening and prices were $\frac{1}{8}$ - $\frac{1}{4}$ lower throughout the list. Due, it was thought, mainly to the start of the steel strike and the very dangerous news from the Middle East, an easier tendency developed during the morning and prices in all sections were lower by midday, with falls of as much as $\frac{3}{4}$ of a point or more in the long-dated issues. Selling was not heavy, except in the short-dated bonds, and a slight recovery was seen during the early part of the afternoon at the medium and long end of the market on the appearance of a few cheap buyers. The market, however, closed the day looking barely steady, with falls of about $\frac{3}{4}$ of a point in all sections.

The Industrial market opened slightly lower after the holiday recess. Prices moved easier throughout the day as potential buyers awaited further developments on the steel strike and all sections tended to close at the worst levels. Kaffir shares opened sharply higher on the uncertainty in the Middle East and, following the new high on the gold fix price, prices met further buying interest. Engineering issues were dull on the steel situation, while Property shares eased on fading hopes of an early reduction in interest rates. Thorn Electrical remained a weak feature on further consideration of the recent adverse press comment.

Financial Times Index (3.00 p.m.) 406.8 (down 7.4)

<u>C.N.D.</u>	Sales	£	4,593,000
	Purchases	£	4,598,000
	Nett Purchases on Balance	£	5,000
<u>BANK</u>	Sales		NIL
	Purchases	£	4,071,000
	Nett Purchases on Balance	£	4,071,000