

Thursday, 3rd January, 1980.

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The Gilt Edged market was easier at the opening in all sections and prices in the short-dated bonds were lower by  $\frac{1}{8}$  -  $\frac{3}{16}$  and  $\frac{1}{4}$  -  $\frac{3}{8}$  down in the medium and long-dated issues. This tendency continued throughout the morning and by lunchtime the market had eased further, which was due more to the absence of any buyers, rather than to weight of selling. Little change was seen during the early part of the afternoon but some recovery was seen following the publication of the U.K. reserves for the month of December, which were favourably received and brought in a few cheap buyers. As a result of this in a very thin market, prices improved quite sharply and the whole market closed the day looking much steadier, either unchanged from the opening levels or  $\frac{1}{8}$  -  $\frac{1}{4}$  down on balance.

The Industrial market remained cautious at the opening after yesterday's sharp setback. Prices continued to drift further during the morning on renewed selling but a little support appeared at the lower levels and most sections closed above the worst. Banking, Property and Tobacco issues were easier on balance, while K.C.A. moved ahead following the interim statement. Gold and Mining shares opened sharply higher, extending yesterday's large rises and, although a little profit-taking was evident at the best levels, most sections rallied again towards the close.

Financial Times Index (3.00 p.m.) 401.9 (down 5.1)

C.N.D.

and

Sales and Purchases

NIL

BANK