

Friday, 4th January, 1980.

The Gilt Edged market was looking firm at the opening in all sections and the improvement which had taken place after hours on the previous evening on hopes of a settlement in the steel strike were maintained. As a result, prices were $\frac{1}{4}$ - $\frac{1}{2}$ a point higher throughout the list and, although business was not on a large scale throughout the morning, most of the recent selling had ceased and some cheap buyers, and possibly some bear closing, were seen. As the jobbers were short of stock, and as the firmer tendency continued throughout the morning, by lunchtime rises of $\frac{1}{2}$ - 1 point were widespread. The market remained firm though slightly less active during the afternoon, to close the day at or around the best levels.

At 3.30 p.m. an announcement was made of a new issue of a Government stock, which took the form of an issue by tender of £1,000 million 14% Exchequer Stock 1984 at a price of 96.50%.

The Industrial market opened quietly firm on optimism that the latest union peace initiative would lead to an early settlement in the steel dispute. Prices continued to improve throughout to close at the best levels of the day. Engineering and Electrical shares hardened in active trading conditions. Banks were in demand on a broker's circular indicating that profits, due to be announced in February, could be 40% higher than last year. Australian shares reacted as the Sydney Index declined for the first time in a week. Kaffirs were dull as the gold price eased \$46 on the day, to fix at \$588.

Financial Times Index (3.00 p.m.) 413.0 (up 6.1)

<u>BANK</u>	Sales	£ 1,400,000
	Purchases	£ 1,274,000
	Nett Sales on balance	£ 126,000