

Tuesday, 8th January, 1980.

*gmf*

The Gilt Edged market was looking quietly firm at the opening at the rather higher levels which had been reached after hours on the previous evening, on hopes of a settlement of the steel strike. In spite of the fact that these hopes had not been fulfilled, the market remained looking reasonably steady at these higher levels and, although business was on a fairly small scale, the market continued quite firm and active throughout the morning, in advance of the monthly statement of the clearing banks for December 1979. When these figures were known at 2.30 p.m., the market made an initial improvement of about  $\frac{1}{8}$  -  $\frac{1}{4}$  but this was short lived and sellers soon appeared at the slightly higher levels. In spite of this, prices maintained most of their early improvement and the market closed the day looking reasonably steady, about  $\frac{1}{8}$  -  $\frac{1}{4}$  above the previous night's closing levels.

The Industrial market opened sharply lower following last evening's breakdown of talks on the steel strike. Prices, however, after easing initially, rallied during the remainder of the day aided by the banking figures and the reappearance of buying interest which caused most sections to close only slightly easier on balance. Electrical, Store and Insurance shares all met investment support after initial weakness, while Kaffir issues moved lower on profit-taking after the recent very strong tone.

Financial Times Index (3.00 p.m.) 417.0 (down 2.9)

<u>C.N.D.</u>	Sales	£	2,221,000
	Purchases	£	2,253,000
	Nett Purchases on balance	£	32,000
<u>BANK</u>	Sales	£	15,040,000
	Purchases	£	10,299,000
	Nett Sales on balance	£	4,741,000