

Thursday, 17th January, 1980.

John 17/1

The Gilt Edged market was quite sharply easier at the opening in all sections and prices were lower by as much as $\frac{1}{8}$ - $\frac{1}{4}$ in the short-dated bonds and $\frac{1}{4}$ - $\frac{1}{2}$ in the long-dated issues. This fall was thought to be mainly due to the worsening of the industrial situation at home and fears concerning the outcome of events on the international front. Selling was not heavy but buyers were holding off after the large amounts which had been invested earlier in the week. By lunchtime the market was showing falls of as much as $\frac{1}{4}$ - $\frac{3}{4}$ of a point throughout the list. A slight improvement was seen during the afternoon following the announcement of the money supply figures for December and prices recovered part of their early losses, and the whole market closed the day looking reasonably steady, above the lowest levels.

The Industrial market opened slightly easier following yesterday's sharply higher trend. Prices moved lower initially as profit-taking became evident but all sections rallied in mid-morning before easing again towards the close. Banking shares improved in early trading but eased to overnight levels, while Property, Insurance and Store issues drifted throughout the day. B.E.T. and Grand Metropolitan were marginally disappointing with their respective results, while S. & W. Berisford were slightly firmer after the statement. Kaffir shares reacted sharply on profit-taking on the gold fix price.

Financial Times Index (3.00 p.m.) 449.4 (down 6.1)

<u>C.N.D.</u>	Sales	£	2,257,000
	Purchases	£	2,253,000
	Nett Sales on balance	£	4,000

<u>BANK</u>	Sales	£	10,845,000
	Purchases	£	42,160,000
	Nett Purchases on balance	£	31,315,000