

Monday, 21st January, 1980.

The Gilt Edged market was looking reasonably steady at the opening and prices were more or less at the levels which had been reached after hours on the previous Friday, following the announcement of the two new short and long-dated Government issues, which meant that the short-dated bonds were  $\frac{1}{16}$  -  $\frac{1}{8}$  lower, while the long-dated issues were either unchanged or  $\frac{1}{8}$  -  $\frac{1}{4}$  higher. In spite of the fact that there appeared to be no more favourable news, either at home or abroad, buyers were seen in all sections of the market and, in particular, at the long end and, with the jobbers short of stock, prices improved during the morning so that by midday rises of almost 2 points were seen in the long-dated high coupon issues. Short-dated bonds in the 1983/84 area also showed rises of as much as  $\frac{1}{2}$  a point. The market continued to be firm and reasonably active during the afternoon, although some profit-taking took place just before the close and the market ended the day looking firm, at about  $\frac{1}{4}$  of a point below the best levels.

The Industrial market opened cautiously following the week-end press comment on the sharpness of recent rises. Prices, however, after moving slightly easier initially, rallied on the reappearance of buying interest, only to drift again towards the close. Electrical, Store and Oil shares all recovered to opening levels, while Food and Banking issues closed higher on balance. Kaffir shares remained active on the slightly better gold fix price, while C. T. Bowring were unchanged on the bid terms from Marsh McLennan.

	Financial Times Index (3.00 p.m.)	461.3 (up 1.5)
<u>C.N.D.</u>	Sales	£ 2,444,000
	Purchases	£ 2,456,000
	Nett Purchases on balance	£ 12,000
<u>BANK</u>	Sales	£ 44,233,000
	Purchases	£ 12,352,000
	Nett Sales on balance	£ 31,881,000