

Thursday, 31st January, 1980.

The Gilt Edged market was looking reasonably steady and unchanged in price at the opening in all sections and in early trading a slight improvement was seen, with rises of $\frac{1}{8}$ - $\frac{1}{4}$. The firmer tendency was, however, short lived and sellers soon appeared so that the early gains were lost and in fact by midday falls of $\frac{1}{4}$ - $\frac{3}{8}$ were widespread in all sections. No very clear reason was seen for this reaction but there were rumours of a possible rise in the clearing banks base rates and fears of an increase in the clearing banks lending figures, due to be announced next week. No recovery was seen during the afternoon and, in fact, the market eased further to close the day looking barely steady with falls of about $\frac{1}{2}$ - $\frac{5}{8}$ in all sections.

The Industrial market opened slightly higher on the prospects of a possible end to the steel strike. Prices, however, after improving initially, failed to maintain the best levels on short term profit-taking with all sections closing easier on balance. Property and Food shares were dull sectors, while Kaffir issues moved lower on the gold fix price. Brewery shares were sharply lower following the Vaux subsidiary sale to Allied Breweries, but the former were sharply higher on the cash acquisition.

Financial Times Index (3.00 p.m.) 452.2 (down 5.4)

<u>C.N.D.</u>	Sales	£	2,922,000
	Purchases	£	3,311,000
	Nett Purchases on balance	£	389,000

<u>BANK</u>	Sales		NIL
	Purchases	£	19,575,000
	Nett Purchases on balance	£	19,575,000