

Wednesday, 6th February, 1980.

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The Gilt Edged market was slightly easier at the opening and prices, where changed, were $\frac{1}{4}$ - $\frac{3}{8}$ below the previous night's closing levels. Part of this fall took place after hours but the market, as soon as it opened, became very volatile and irregular and, after making a slight recovery, turned sharply easier after hopes of a possible statement on the steel strike, followed by fears of further trouble at Leylands over the demand by the union of the reinstatement of Mr. Robinson. By lunchtime long-dated issues were showing falls of $\frac{1}{2}$ - $\frac{5}{8}$ while, by contrast, the short-dated bonds were looking reasonably steady and had regained all the early losses. The shorts made further progress during the afternoon and closed the day with slight gains of $\frac{1}{8}$ - $\frac{1}{4}$. The medium and long-dated issues also improved from their lowest levels and ended about $\frac{3}{8}$ down on balance.

The Industrial market opened slightly higher on renewed hopes of a settlement on the steel situation. Prices continued to improve throughout the day on renewed investment demand and, although turnover remained low, most sections closed at or around the best levels. Engineering and Kaffir shares were firm sectors, while Oil and Insurance issues closed marginally below the higher prices. Decca were a firm feature on the announcement that Racal will be making an increased offer, while Dowty Group were sharply better on the interim figures.

Financial Times Index (3.00 p.m.) 454.2 (up 6.4)

C.N.D.

Sales		NIL
Purchases	£	5,734,000
Nett Purchases on balance	£	5,734,000

BANK

Sales	£	19,235,000
Purchases	£	2,547,000
Nett Sales on balance	£	16,688,000