

Thursday, 7th February, 1980.

For no very apparent reason, the Gilt Edged market opened the day on a very firm note and prices, where changed, were $\frac{1}{4}$ - $\frac{3}{8}$ higher. This perhaps was due to the strength of sterling, hopes of a settlement in the steel strike and the weakness of the bond market in the United States. These conflicting factors led to some quite substantial buying in all sections of the market and by lunchtime rises of $\frac{3}{8}$ in the short-dated bonds and as much as 1 point in the longer dated issues were widespread. The market remained firm throughout the afternoon, although a small amount of profit-taking was seen in the shorts and the whole market closed the day just below the best levels.

The Industrial market remained firm at the opening, extending yesterday's tone. Prices continued to improve throughout the day on hopes of an early settlement from tomorrow's talks and, although turnover remained low, all sections tended to close at the best levels. Oil and Property shares were particularly firm sectors, while Kaffir issues were quiet and marginally easier on balance. Decca were unchanged on the latest bid from Racal, and awaiting further developments from G.E.C.

Financial Times Index (3.00 p.m.) 464.3 (up 8.4)

<u>C.N.D.</u>	Sales	£	3,304,000
	Purchases	£	3,819,000
	Nett Purchases on balance	£	515,000
<u>BANK</u>	Sales	£	58,411,000
	Purchases		NIL
	Nett Sales on balance	£	58,411,000