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Monday, 25th February, 1980.

The Gilt Edged market was looking reasonably steady at the opening at the lower levels which had been reached after hours on the previous Friday, following the announcement of the new Government long-dated tap stock and the somewhat unexpected prime rate rises by two principal New York banks. Prices in the short and long-dated sections of the market were lower by about $\frac{1}{4} - \frac{3}{8}$, which is where they had fallen to on Friday evening. Business was on a small scale throughout the morning but buyers appeared at the lower levels and by lunchtime all the losses had been regained in the short-dated bonds and there had been some improvement in the long-dated issues, but they were still showing falls of about $\frac{1}{8} - \frac{1}{4}$ on balance. However, buying of the shorts was seen during the afternoon and they closed the day showing rises of $\frac{1}{8} - \frac{3}{16}$. The long-dated issues followed suit and, although not so active, ended the day looking reasonably firm and unchanged from the previous night's closing levels.

The Industrial market opened slightly lower following the cautious week-end press comment. Prices, however, after drifting easier in early dealing on the first day of the new account, tended to steady and most sections closed above the worst levels. Oil shares were a firm section, with Burmah Oil sharply higher on continued bid rumours, while Banking issues improved awaiting the National Westminster results, due later this week. Kaffir shares were marginally lower during the day on the gold fix price.

Financial Times Index (3.00 p.m.) 451.5 (down 2.7)

<u>BANK</u>	Sales	£	352,000
	Purchases		NIL
	Nett Sales on balance	£	352,000