

Monday, 15th December, 1980.

The Gilt Edged market was slightly easier in all sections at the opening and prices, where changed, were $\frac{1}{16}$ - $\frac{1}{8}$ lower throughout the list. This easier tendency was thought to be mainly due to some rather unfavourable press comment in the Sunday papers with regard to the outlook for the gilt edged market and fears of even higher interest rates in the U.S.A. Business was on a very small scale throughout the day but sellers predominated and no real recovery was seen. In fact by midday falls of $\frac{1}{8}$ - $\frac{1}{4}$ were seen in all sections. Little change took place during the afternoon and in idle conditions, the market ended the day looking reasonably steady, at or around the slightly lower levels.

The Industrial market opened steady, around last week's closing levels. Most sectors were quietly firm with sentiment helped by a business survey forecasting that the rate of decline in industrial output may be slowing. Another influence was the expected large surplus for the November trade figures to be announced later today. Royal Insurance were sharply lower following their rights issue to raise £116 million. Other Insurance shares were flat in sympathy. Oil issues were better on speculation concerning the prospect of price rises in the near future. Electricals and Engineers were generally higher on selective investment support. Among mainly unchanged Properties, Trafalgar House were in demand after press comment suggesting a possible overseas takeover for the company. Kaffirs improved in line with the bullion price.

Financial Times Index (3.00 p.m.) 462.2 (up 2.0)

C.N.D.

Sales and Purchases

NIL

BANK

Sales

NIL

Purchases

£ 945,000

Nett Purchases on balance

£ 945,000