



THE DEPUTY GOVERNOR

FOREIGN EXCHANGE AND GOLD MARKETS

Wednesday, 24th December 1980

With some centres closed and others, including London, only operating this morning markets were inactive. Sterling's ERI edged down to 77.9.

The pound closed in New York last night, and opened and closed in London this morning, at 2.37. A small order took the rate in the middle of today's session up to 2.3785. There was little change in interest rates but the forward premium for sterling widened enough to increase the covered differential to 5/16% against the dollar.

In Europe sterling looked a little softer: it closed at 4.60½ against the deutschemark, 10.67½ in French franc terms and 4.18½ against the Swiss franc. The dollar was a touch firmer although EMS was untroubled, standing 2 1/16% wide at noon between Belgium (31.29) and France (4.5030). The deutschemark was virtually unchanged at 1.9425. The Irish reported sales of \$18mn. The Swiss franc closed at 1.7650, the yen at 207.65.

Gold could not hold yesterday's late level and at the only session today it fixed in London at \$604.

Operations:	Market +	\$6mn.
	Interest+	5
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		+ \$11mn.
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Overnight:		+ \$7 mn.
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24th December 1980.

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