

Friday, 16th January, 1981.

The Gilt Edged market was easier at the opening in all sections and prices were about $\frac{1}{8}$ lower in the shorts and $\frac{1}{4}$ down in the medium and long-dated issues. Although the easier tendency, which had started on the previous day, continued during the early part of the morning, selling was not heavy and, when the announcement was made of the Retail Price Index at 11.30, the market recovered most of the early losses, so that by lunchtime it was looking reasonably steady, either unchanged from the previous night's closing levels, or $\frac{1}{16}$ - $\frac{1}{8}$ down. Little change was seen during the afternoon and the market closed looking reasonably steady in advance of the Trade Figures due to be announced at 3.30.

The Industrial market opened steady. Initial selective interest helped prices to improve. A further fall in the rate of inflation and an expected trade surplus for December created more widespread demand. Most sectors continued to move higher and closed at the best levels. Oils were active with considerable support for the leading issues. Shell and British Petroleum were particularly good features. Electricals were generally better in two-way business. Muirhead were sharply higher on speculative buying with dealers suggesting vulnerability to a takeover after the loss announced yesterday. Among firm 'blue-chip' companies, BOC International were in demand following favourable press comment. Banks and Insurances were higher after recent weakness. UDT maintained last night's improvement on the proposed bid terms from Lloyds and Scottish. Kaffirs were lower as the gold price declined.

Financial Times Index (3.00 p.m.) 452.6 (up 4.1)

<u>C.N.D.</u>	Sales	£	1,346,000
	Purchases		NIL
	Nett Sales on balance	£	1,346,000
<u>BANK</u>	Sales	£	6,987,000
	Purchases	£	1,827,000
	Nett Sales on balance	£	5,160,000