

Thursday, 12th February, 1981.

The Gilt Edged market was very quiet at the opening although the short-dated bonds were slightly lower after the quite substantial rises which had taken place on the previous day. Little or no change was seen in the medium or long-dated issues and business was on a very small scale throughout the morning. The only feature which was seen was the demand for the low coupon deep discount short-dated bonds and these improved in price by about  $\frac{1}{8}$  -  $\frac{1}{4}$ . Little or no change took place during the afternoon and the whole market closed the day, after very idle conditions, either unchanged from the opening levels or  $\frac{1}{8}$  -  $\frac{1}{8}$  lower in the high coupon short-dated bonds.

The Industrial market opened steady. Prices improved across a broad front as institutional investment outweighed initial small selling. However, the buying interest was not sustained and most sectors drifted in later trading, although still remaining higher on balance. Property and Building shares continued to be well supported on hopes for an upturn in prospects for the sectors that would accompany any fall in interest rates. Engineers remained firm as dealers look for a recovery in the industry after the recently poor business conditions. Metal Box, Vickers and Hawker Siddeley were particular features. Dowty Group were sharply higher following interim figures, which easily exceeded market expectations. Clearing Banks were again in demand on favourable comment. Among Financials, UDT eased as Lloyds and Scottish announced they will not counter-bid above the term offered by the Trustee Savings Bank. Imperial Group were better on final results not as bad as feared and an unchanged dividend. Kaffirs declined in line with the gold price.

Financial Times Index (3.00 p.m.) 490.5 (up 4.2)

<u>C.N.D.</u>	Sales	£	2,917,000
	Purchases		NIL
	Nett Sales on balance	£	2,917,000
<u>BANK</u>	Sales	£	5,945,000
	Purchases	£	257,000
	Nett Sales on balance	£	5,688,000