

Monday, 23rd February, 1981.

The Gilt Edged market was looking quietly firm at the opening. Short-dated bonds, where changed, were $\frac{1}{16}$ - $\frac{1}{8}$ higher and the medium and long-dated issues had also improved by the same margin. In early trading some of the gains were soon lost but around 11.30 a sudden improvement was seen when some quite substantial buyers appeared in the short and medium-dated areas of the market. The main feature of the morning was a substantial demand for Treasury 12% 1986 Stock and the Bank was able to sell stock at $20\frac{1}{8}$ and $20\frac{3}{16}$ (20% paid). Nearly all the business was concentrated in this part of the market and the longs were almost completely neglected throughout the day and showed little change in price in either direction. The market remained looking reasonably steady throughout the afternoon, with the short and medium-dated stocks closing at their best levels, with rises of $\frac{3}{8}$ - $\frac{5}{8}$ of a point, while the long-dated issues were unchanged from the opening levels.

The Industrial market opened steady at the start of the last week for the current three-week account. Prices fluctuated narrowly during the day in subdued trading conditions before closing easier on balance. The undertone was rather cautious as dealers await the annual results and dividend from ICI to be announced on Thursday. Leading 'blue-chip' companies were generally lower on nervous selling. ICI were weak as press comment heightened fears that the final dividend may be cut. However, Unilever improved on buying ahead of figures expected shortly. Among Financials, Clearing Banks were easier on further consideration of profits announced last week by Lloyds Bank. Insurance issues remained firm and Commercial Union were better in front of tomorrow's results. Electricals were steady, although Hoover were dull following a loss for the year, which was worse than anticipated and a halved dividend. Kaffirs declined in line with the gold price.

	Financial Times Index (3.00 p.m.)		487.1 (down 1.3)
<u>C.N.D.</u>	Sales	£	1,779,000
	Purchases		NIL
	Nett Sales on balance	£	1,779,000
<u>BANK</u>	Sales	£	63,444,000
	Purchases	£	17,535,000
	Nett Sales on balance	£	45,909,000