

Friday, 27th February, 1981.

The Gilt Edged market was quiet, steady and unchanged at the opening. Business was again on a very small scale throughout the day but a slightly easier tendency developed during the morning on the appearance of some sellers in both the short and long-dated areas of the market. Prices by lunchtime were showing falls of $\frac{1}{16}$ - $\frac{1}{8}$ in the short-dated bonds and $\frac{1}{8}$ - $\frac{1}{4}$ in the long-dated issues. The market looked slightly firmer during the afternoon, although there was some apprehension that the authorities were going to produce a new tap stock which had a restraining influence on the whole market, and it ended the week looking reasonably steady, just below the opening levels.

At 3.30 p.m. the Bank of England announced the issue by tender of £500 million 3% Treasury Stock 1986 at a minimum price of 69½.

The Industrial market opened easier on the last day of the current account. However, following the cautious start, considerable investment interest developed for next week's new account, which will include details of the Spring Budget. Hopes of a cut in Minimum Lending Rate encouraged institutional buying and prices closed around the best levels. Among generally firm 'blue-chip' companies, ICI were initially sharply lower on further consideration of yesterday's disappointing cut in the final dividend. Technical positions helped the price to recover later in active two-way trade. Glaxo remained in demand prior to the American introduction of their successful anti-asthma drug. Electricals were well supported, particularly those with large Defence Contracts, the main features being GEC and Ferranti. Plessey improved following favourable press comment on yesterday's well received interim profits. Stores were higher, although House of Fraser weakened on the announcement that the Lonrho takeover bid is to be referred to the Monopolies Commission. The Banking, Insurance and Brewery sectors were generally better throughout. Kaffirs were lower in line with the bullion price.

Financial Times Index (3.00 p.m.) 504.0 (up 6.2)

<u>C.N.D.</u>	Sales	£	3,998,000
	Purchases	£	678,000
	Nett Sales on balance	£	3,320,000

<u>BANK</u>	Sales		NIL
	Purchases	£	2,840,000
	Nett Purchases on balance	£	2,840,000