

Wednesday, 18th March, 1981.

The Gilt Edged market opened steady with little change in price, although shortage of stock in the longer end was keeping this section of the market the firmest area. During the morning a little buying took place, again concentrated in the longer stocks, and as a result this part of the market was showing rises of up to $\frac{1}{8}$ by lunchtime while the shorts and mediums were only up to about $\frac{1}{8}$ higher. During the afternoon prices showed little change other than in the shorts which closed slightly below the best.

The Industrial market opened slightly easier, reflecting fears about the GKN final results and dividend. However, the figures were not as bad as anticipated and encouraged renewed investment interest with prices closing at the best levels. In a firm Engineering sector, GKN were higher as dealers worried of a large loss and no final dividend proved unfounded. A marginal deficit and reduced payment were announced. Turner and Newall were in demand on rumours of a bid for the company. Building shares showed further improvement after several favourable results and bullish press comment on the outlook for house-building. Paper stocks were steady although DRG fell following disappointing annual figures and lower dividend. The Property sector was well supported on revived suggestion of a further cut in interest rates. Thomas Tilling eased on yearly profits slightly below market expectations. Kaffirs were better in line with the bullion price.

Financial Times Index (3.00 p.m.) 492.8 (up 5.2)

<u>C.N.D.</u>	Sales	£	478,000
	Purchases	£	478,000
	Nett Purchases on balance	£	478,000
<u>BANK</u>	Sales	£	823,000
	Purchases	£	10,229,000
	Nett Purchases on balance	£	9,406,000