

Monday, 30th March, 1981.

The Gilt Edged market was generally easier today with a certain amount of stock on offer from the outset. Although newspaper comment on the international position and the outlook for U.S. interest rates did nothing to help the market, the main reason was thought to be some sales of conventional gilts to pay for Friday's applications for the Index-Linked issue. By lunchtime prices were  $\frac{1}{4}$  down in shorts and up to 1 point down in longs. During the afternoon selling pressure largely abated, and although shorts closed a little lower, the rest of the market remained at around the lunchtime levels. The 2% Index-Linked issue opened at its issue price of 100 (35% paid) and closed at around the same level following a relatively small turnover.

The Industrial market opened easier on the first day of the new account. Sentiment was adversely affected by the latest C.B.I. survey which remained gloomy despite recently favourable statements by the Chancellor. Prices continued to drift on lack of investment interest, closing around the worst levels. Electricals fluctuated in two-way trade but no definite trend developed although I.C.L. encountered speculative demand on hopes of an American bid. Clearing Banks and Insurance shares were generally weak throughout. In the Shipping sector, Ocean Transport fell after sharply higher final profits but only a marginally increased dividend. Stores were lower but Mail Order issues improved in sympathy with Freemans, whose yearly figures were better than expected. Among Engineers, Babcock International were firm on confirmation of a large overseas contract and prior to results later this week. Kaffirs were easier in line with the gold price.

Financial Times Index (3.00 p.m.) 517.8 (down 3.5)

<u>C.N.D.</u>	Sales	£ 7,108,000
	Purchases	£ 5,210,000
	Nett Sales on balance	£ 1,898,000

<u>BANK</u>	Sales	NIL
	Purchases	£ 16,793,000
	Nett Purchases on balance	£ 16,793,000