

Tuesday, 7th April, 1981.

The Gilt Edged market opened up to  $\frac{1}{4}$  down, which merely reflected a certain amount of selling after hours yesterday. Prices remained reasonably steady at this level during the morning, with most investors content to await the March Banking Figures at 2.30. Following these, and the rider contained therein that Sterling M.3. may have risen by about  $\frac{3}{4}$  during the month, prices were marked down by up to a further  $\frac{1}{4}$ . At this level however some fair size sellers appeared and prices fell away again. By the close short-dated stocks were showing falls of up to  $\frac{1}{4}$  while longs were up to 1 point down.

The Industrial market opened easier, extending yesterday's losses. Sentiment was adversely affected by the dull performance of Wall Street. Prices fluctuated during the day before, closing around the worst levels on the disappointing Banking statistics. Among Financials, Clearing Banks and Insurance issues were steady, while Merchant Banks weakened on profit-taking. Royal Bank of Scotland moved sharply higher on the announcement of a possible counter-bid above the terms offered by the Standard and Chartered Group. Final results from Standard and Chartered were in line with the forecast made at the time of the proposed Royal Bank merger. In the Paper sector, Bowater were in demand prior to figures expected later this week and on vague rumours of a takeover. Oils remained weak on overseas selling and adverse press comment on future prospects. Electrical, Building and Property shares were generally lower through lack of support. Kaffirs declined in line with the bullion price.

Financial Times Index (3.00 p.m.) 528.9 (down 4.6)

C.N.D. Sales and Purchases NIL

<u>BANK</u>	Sales	£	20,559,000
	Purchases		NIL
	Nett Sales on balance	£	20,559,000