

Thursday, 27th March, 1980.

The Gilt Edged market was steady at the opening in the medium and long-dated issues but the short-dated bonds, where changed, were $\frac{1}{8}$ lower. No decided trend developed in early trading and, although the Budget was, for the most part, well received, it was thought that most of the benefits of a lower P.S.B.R. and therefore lower interest rates, would not be in the immediate future, and short term money rates remained obstinately high and looked as if they might rise further, particularly in the U.S.A. Sellers soon appeared in all sections of the market and although they were not too heavy, there was an almost complete absence of buyers and by lunchtime prices had fallen by about $\frac{3}{8}$ in the short-dated bonds and as much as $\frac{1}{2}$ a point in some of the long-dated issues. There were one or two minor attempts at a rally, but these were short lived. Little, if any, improvement was seen during the afternoon and the market closed the day looking barely steady, just above the lowest levels.

The Industrial market opened cautiously after the press comment on the implications of the Budget. Prices moved easier during the day as buyers were reluctant to buy stock and small sellers caused the market to react sharply and close at the worst levels. Brewery, Banking and Oil shares were particularly weak features, while Kaffir shares were dull on the gold fix price. Investment Trust issues were an isolated firm feature after the Budget announcement on the exemption of capital gains within the funds, while T.V. Companies were sharply lower on the tightening of leasing controls. J. Lucas moved lower following the disappointing interim figures.

Financial Times Index (3.00 p.m.) 423.6 (down 11.5)

<u>BANK</u>	Sales	£	2,510,000
	Purchases	£	24,303,000
	Nett Purchases on balance	£	21,793,000