

Friday, 28th March, 1980

The easier trend which developed in the Gilt-edged market yesterday following the Budget continued this morning. At the opening, prices of the short dated bonds were $\frac{1}{16}$ lower and medium and long dated issues were $\frac{1}{8}$ down.

Selling was, however, on a much smaller scale compared to the previous day but buyers once again were almost completely absent while rates in the short term money market increased once again. By lunchtime falls of $\frac{1}{8}$ - $\frac{1}{4}$ were widespread in the short dated bonds and some of the long dated issues were $\frac{1}{2}$ lower. A slightly firmer tendency was seen in the early afternoon and most of the early losses in the shorts were regained. Long dated issues also improved by $\frac{1}{16}$ - $\frac{1}{8}$ and closed the day just above the lowest levels after an extremely small turnover.

The Industrial market opened cautiously extending the easier tone of yesterday. Prices tended to move lower during the day in extremely quiet trading with most sectors tending to close at or around the worst levels. T.V. rental companies were again easier reflecting further comment on the budget proposals, while Kaffir issues, initially lower, rallied in later trading. Imperial Tobacco provided an isolated firm feature on press comment while Paper and Engineering shares were easier on balance.

Financial Times Index (3.00 p.m.) 421.3 (down 1.8)

BANK

Sales

Nil

Purchases

£1,559,000