

Thursday, 5th February, 1981.

The Gilt Edged market was quiet, steady and virtually unchanged at the opening, apart from the fact that one or two of the short-dated bonds were $\frac{1}{16}$ lower. Business was on a very small scale throughout the morning, awaiting the announcement concerning Minimum Lending Rate at 12.30 p.m. When it was known that there was to be no change, a few sellers appeared and prices were marked down in all sections by $\frac{1}{16}$ - $\frac{1}{4}$. A few cheap buyers were seen at the lower levels and there were no further falls. The market remained unchanged and reasonably steady during the afternoon with trading very quiet and ended the day looking reasonably steady at the lower levels throughout the list.

The Industrial market opened easier as dealers took profits ahead of the Minimum Lending Rate decision. When it was realised that the Rate was unchanged, prices continued to move lower and closed around the worst levels. There was very little interest in dealing forward for next week's new account. Stores, Breweries and Electricals were generally weak on profit-taking after the recently firm trend. G.K.N. were dull following the announcement of further redundancies. Other Engineering issues were marked down in sympathy although B.O.C. International were well supported after yesterday's favourable brokers' seminar. Lonrho were steady on final results which equalled market expectations. Kaffirs fluctuated before ending easier on balance, in line with the bullion price.

Financial Times Index (3.00 p.m.) 472.1 (down 6.8)

<u>C.N.D.</u>	Sales	£	1,774,000
	Purchases	£	5,872,000
	Nett Purchases on balance	£	4,098,000
<u>BANK</u>	Sales		
	Purchases	£	514,000
	Nett Purchases on balance	£	514,000