

Monday, 9th February, 1981.

The Gilt Edged market turned rather easier after hours on the previous Friday following the announcement of the new Government short-dated tap stock and prices were about  $\frac{1}{8}$  -  $\frac{3}{8}$  down from 3.30 p.m. but more or less unchanged from the point which they had reached after the announcement of the new issue. The market was extremely quiet and inactive throughout the day and no very serious business took place in the path of the banking statistics which are due to be announced. Prices recovered slightly around midday and by lunchtime the market had improved by  $\frac{1}{8}$  -  $\frac{3}{8}$  throughout the list. Very little business was seen during the afternoon. The market was slightly encouraged by the fact that the Morgan Guaranty prime rate was lowered from 19 $\frac{1}{2}$ % to 19% but rather disappointed in the Wholesale Price Indices, which were higher than most people had expected. The whole market closed looking reasonably steady, just above the lowest levels.

The Industrial market opened steady at the start of the new three-week account. Most sectors fluctuated narrowly in quiet and featureless early trading. However, selective investment interest later in the day helped prices to improve and close at the best levels. Building and Property shares were in demand as dealers speculated over the possibility of a cut in interest rates during the current account. Among better Paper stocks, Bowater were well supported following the suggestion of an oil discovery beneath their Canadian forests. Allied Breweries were lower as analysts downgraded profit estimates because of the worsening strike situation at their Ansell's brewery. Other Brewery issues were easier in sympathy. Oils and Electricals were generally firm while Banks and Insurances remained largely unchanged. Kaffirs were sharply higher on the increased bullion price.

Financial Times Index (3.00 p.m.) 480.8 (up 0.5)

<u>C.N.D.</u>	Sales	£	2,925,000
	Purchases		NIL
	Nett Sales on balance	£	2,925,000
<u>BANK</u>	Sales		NIL
	Purchases	£	772,000
	Nett Purchases on balance	£	772,000