

Wednesday, 11th February, 1981.

The Gilt Edged market was looking reasonably steady at the opening; short-dated bonds were $\frac{1}{16}$ - $\frac{1}{8}$ higher and medium and long-dated issues unchanged in price. Shorts continued to be quite firm and active throughout the morning and by midday rises of $\frac{1}{4}$ - $\frac{3}{8}$ were widespread in this section. The firmness in this area of the market spread down the list to the long-dated issues and by lunchtime these had also improved by $\frac{1}{8}$ - $\frac{3}{16}$. The market remained firm though not very active during the afternoon but closed the day looking reasonably steady at the higher levels.

The Industrial market opened easier, reflecting disappointment over the Money Supply figures and the sharp increase in the Government borrowing requirement. Prices fluctuated narrowly during the day, closing slightly lower on balance in quiet trading conditions. Clearing Banks remained firm on further consideration of several favourable brokers' circulars. Oils drifted through a marked lack of support following bearish press comment suggesting production cuts to counter falling demand. The Property sector was dull, reflecting fading hopes of any decrease in interest rates prior to the Budget. Imperial Group were lower on nervous selling ahead of final results to be announced tomorrow. Brewery issues eased on the worsening outlook for beer sales but Distillers were better after news of European Community compensation payments. Kaffirs were weak as the bullion price declined sharply.

Financial Times Index (3.00 p.m.) 485.1 (down 0.4)

<u>C.N.D.</u>	Sales	NIL
	Purchases	£ 3,804,000
	Nett Purchases on balance	£ 3,804,000

<u>BANK</u>	Sales	NIL
	Purchases	£ 412,000
	Nett Purchases on balance	£ 412,000