

Friday, 20th February, 1981.

The Gilt Edged market was quiet and steady at the opening and there was little change in price in any section. A rather easier tendency developed during the morning and some quite substantial sellers of the long-dated issues appeared around midday. Short-dated bonds also saw some selling and by lunchtime falls of $\frac{1}{4}$ - $\frac{3}{8}$ were widespread throughout the list. Little change was seen during the afternoon and no real recovery took place and the market closed looking rather irregular at or around the lowest levels. Once again the Bank bought a sizeable amount of the next maturity, Treasury 9 $\frac{3}{4}$ % Stock 1981.

The Industrial market opened steady. Most sectors tended to drift lower on lack of any investment interest. Sentiment was further affected by adverse trading news from several companies. Business was initially dominated by the introduction of British Aerospace shares which encountered considerable institutional demand and remained at a healthy premium throughout the day. Lloyds Bank were sharply higher following the better than expected final profits. Other Clearing Banks improved in sympathy. Merchant Banks were mainly unchanged. Insurance issues were weak on a bearish broker's circular and the relative strength of sterling. Among leading 'blue-chip' companies, BOC International continued to ease on profit-taking. Courtaulds were dull after the announcement of a further factory closure and redundancies. The main Oil shares were depressed by American selling, although secondary stocks were unchanged. Engineers, Electricals and Stores were generally easier. Kaffirs were better as the gold price improved.

Financial Times Index (3.00 p.m.) 489.1 (down 5.1)

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| <u>C.N.D.</u> | Sales | £ | 4,794,000 |
| | Purchases | £ | 1,301,000 |
| | Nett Sales on balance | £ | 3,493,000 |
| <u>BANK</u> | Sales | | NIL |
| | Purchases | £ | 85,673,000 |
| | Nett Purchases on balance | £ | 85,673,000 |