

Thursday, 26th February, 1981.

The Gilt Edged market was quiet and steady at the opening although prices tended to be slightly easier on balance in all sections. Business was once again on a very small scale throughout the day but sellers predominated and during the morning prices in the short-dated bonds fell by $\frac{1}{8}$ - $\frac{1}{4}$, while the long-dated issues, after improving slightly in early trading, also eased just before the announcement of no change in M.L.R. at 12.30. Sentiment was not improved by the cut in the ICI dividend and little or no business was transacted during the afternoon and, as a result, the market closed looking barely steady, showing falls of up to $\frac{1}{4}$ of a point in the short-dated bonds and medium-dated stocks, while the longs were looking rather irregular, showing rises of $\frac{1}{8}$ or falls of $\frac{1}{8}$ in all areas.

The Industrial market opened slightly higher, extending the recent very firm tone. Prices improved initially on renewed buying interest before nervous selling ahead of the ICI final figures caused most sections to react to overnight levels. Following publication of the disappointing ICI statement and reduced dividend payment, all prices reacted sharply to close at the worst levels. Oil shares moved higher ahead of the next round of the North Sea Oil Licences but failed to maintain the best levels, while S.W. Berisford and British Sugar were lower awaiting the Monopolies Commission report due next Tuesday. Plessey interim results proved better than expected and the price improved throughout the day, while Kaffir issues eased in line with the gold fix price.

Financial Times Index (3.00 p.m.) 492.6 (down 9.4)

<u>C.N.D.</u>	Sales	£	5,197,000
	Purchases		NIL
	Nett Sales on balance	£	5,197,000
<u>BANK</u>	Sales		NIL
	Purchases	£	5,149,000
	Nett Purchases on balance	£	5,149,000