

Monday, 9th March, 1981.

The Gilt Edged market was steady and unchanged at the opening with prices around the previous Friday's closing levels. A rather firmer tendency developed during the morning due, it was thought, to week-end press comment on the possible contents of Tuesday's Budget. Some quite substantial buying was seen of the long-dated high coupon stocks and, in fact, buyers appeared in other sections of the market, so that the short-dated bonds had improved by  $\frac{1}{8}$  -  $\frac{3}{16}$ , the mediums by  $\frac{1}{4}$  -  $\frac{3}{8}$  and the longs by  $\frac{3}{8}$  -  $\frac{1}{2}$  a point by lunchtime. The market remained firm during the afternoon, although the shorts met a little profit-taking and the whole market closed looking reasonably firm, at or just below the best levels.

The Industrial market opened slightly easier. Dealers were extremely cautious ahead of tomorrow's Budget and most sectors drifted lower during the day in quiet trading conditions. Clearing Banks were dull on renewed suggestion that the Chancellor may impose a "windfall profits" tax. Insurance shares tended higher, where changed, on selective investment interest. Brewery and Tobacco issues were lower on fears of worse than anticipated tax increases and the possibility of a further fall in sales. In the Paper sector, Bowater weakened on further consideration of last week's statement of intent to close the Printing paper and Packaging subsidiaries. Oils declined with Ultramar, British Petroleum and Shell easier ahead of final results expected later this week. Kaffirs were marginally better as the gold price improved.

Financial Times Index (3.00 p.m.) 482.9 (down 6.2)

C.N.D.

and

Sales and Purchases

NIL

BANK