

Tuesday, 10th March, 1981.

The Gilt Edged market was quiet in front of the Budget Statement but prices opened generally slightly higher. There was enough buying during the morning to keep prices firm and by lunchtime short-dated stocks were up to $\frac{1}{8}$ higher while longs showed rises of $\frac{1}{4}$ - $\frac{3}{8}$. Following the banking figures with the accompanying indication of a rise of about 1% in M3, the market lost about $\frac{1}{8}$ and closed the day quiet, slightly below the best levels.

The Industrial market opened steady prior to the Budget announcement this afternoon. An absence of sellers together with selective investment interest helped most sectors to improve during the morning. However, with the banking figures indicating a further increase in Money Supply, prices failed to hold the best levels although remaining higher on balance. Clearing Banks were better as buyers considered a "windfall profits" tax by the Chancellor to be unlikely. Hong Kong and Shanghai Bank were weak following satisfactory final results but an unexpected rights issue raising £170 million. Composite Insurance companies were better but Insurance Brokers were marked lower in sympathy with Sedgwick Group whose shares were flat on the disappointing final profits. The Engineering and Electrical sectors were generally firm and Tube Investments were in demand ahead of tomorrow's annual statement. Oils continued to ease with several major companies reporting figures later this week. Kaffirs moved higher in line with the bullion price.

Financial Times Index (3.00 p.m.) 488.3 (up 4.8)

<u>C.N.D.</u>	Sales	£	2,081,000
	Purchases		NIL
	Nett Sales on balance	£	2,081,000
<u>BANK</u>	Sales	£	8,521,000
	Purchases		NIL
	Nett Sales on balance	£	8,521,000