

Wednesday, 11th March, 1981.

The Gilt Edged market, following the Budget, opened on a very firm note and prices improved in all sections. The main feature of early trading was the extremely large demand for the Government long-dated tap stock, Exchequer 12¹/₁₆% 1999 'B', and official supplies of this stock were exhausted at the opening, at a price of 90³/₄. The market continued to be firm and active throughout the morning and buyers appeared in all sections so that rises were seen of up to ³/₄ of a point in the short-dated bonds, 1 - 1¹/₄ points in the medium stocks and 1¹/₂ - 2 points in the long-dated high coupon issues. The market remained firm during the afternoon, although some profit-takers were seen just before the close, and it closed the day about ¹/₈ - ¹/₄ below the best levels after considerable activity.

The Industrial market was initially dull, reflecting disappointment over the measures announced in yesterday's Budget. After the opening mark down, prices fluctuated during the day in active two-way trade. Most sectors again moved lower towards the close of business, affected by several bearish company statements. Clearing Banks remained depressed following the Chancellor's decision to implement a single "windfall profits" tax. Brewery and Tobacco shares were easier on the larger than anticipated revenue increases. The Stores sector was flat on worries that the reduction in real personal incomes will further affect sales. However, F. W. Woolworth were unchanged on the better than expected figures and maintained final dividend. Oil issues were weak on the supplementary North Sea oil tax and Ultramar eased following excellent annual results but unfavourable statement. Tube Investments were sharply lower on the halved final profits, severely cut dividend and dismal chairman's comment on future prospects. Other Engineers were dull in sympathy while Turner and Newall fell on the poor annual results. Kaffirs declined in line with the bullion price.

Financial Times Index (3.00 p.m.) 471.9 (down 12.4)

<u>C.N.D.</u>	Sales	£ 488,000
	Purchases	£ 488,000
<u>BANK</u>	Sales	£ 923,222,000
	Purchases	£ 127,358,000
	Nett Sales on balance	£ 795,864,000