

Thursday, 19th March, 1981.

The Gilt Edged market opened the period on a firm note. The continuing shortage of stock in the longer dated end of the market, coupled with a demand, possibly of a slightly speculative nature, caused prices to be marked up initially by  $\frac{3}{8}$  in the longs and  $\frac{1}{8}$  in the mediums. A reasonable demand was seen in mid morning for the authorities to sell Exchequer  $12\frac{1}{2}\%$  1990 at  $15\frac{7}{8}$  and then to finish at that level. Prices encountered a small amount of profit-taking just before lunch. Following the publication of the Money Supply figures at 2.30 p.m., which were judged to be satisfactory and showed M3 up 0.9%, prices resumed their upward trend to close at the best levels, with gains of up to 1 point in the longs and  $\frac{1}{2}$  a point in the mediums. Short-dated bonds followed the trend of the long market and, whilst closing below the best levels, showed gains of up to  $\frac{3}{8}$ .

The Industrial market opened steady. However, prices soon improved on institutional investment interest created by suggestion of an upturn in the economic climate and hopes of a further cut in interest rates. Several encouraging company statements helped to maintain the trend and most sectors closed around the best levels. Merchant Banks and Insurance shares encountered considerable support and Britannia Arrow were better following excellent annual profits. Among quiet Clearing Banks, Midland Bank hardened ahead of figures tomorrow. Building issues remained in demand with Steetley and Hepworth Ceramic improving on final results. Oils were generally unchanged although Tricentrol were sharply higher after almost doubled profits and an increased dividend. In the Food sector, J. Sainsbury rose as buyers appeared in a market that was short of stock. Cadbury-Schweppes were firm as yearly figures exceeded expectations. Among strong Electricals, ICL were suspended pending an announcement by the Government. This is expected to contain news of financial aid to assist the company through current trading difficulties. Kaffirs fluctuated narrowly in line with the gold price.

Financial Times Index (3.00 p.m.) 497.5 (up 6.4)

C.N.D.

Sales and Purchases

NIL

BANK

Sales	£	66,763,000
Purchases	£	34,400,000
Nett Sales on balance	£	32,363,000