

Monday, 23rd March, 1981.

The Gilt Edged market initially retained the firmness that it had shown after hours on Friday, and prices in longs opened $\frac{1}{4}$ - $\frac{3}{8}$ higher. This firmness brought in buyers of the tap stock, Exchequer 12 $\frac{1}{2}$ % 1990, and official supplies of the stock were immediately exhausted. However the market failed to gather any impetus, and, sensing this, sellers then appeared and prices began to ease away. By lunchtime the market had lost all the early gains and was generally lower on balance than Friday's 3.30 close. This selling continued for a short time into the afternoon before a small rally set in, leaving shorts to close little changed on the day while longs closed about $\frac{1}{4}$ lower.

The Industrial market opened steady at the beginning of the second week for the current account. Most sectors fluctuated narrowly during the day before closing unchanged in subdued trading conditions. Adverse press comment concerning future orders from British Telecom affected Electrical shares. Plessey and Standard Telephones were particularly weak and GEC were also easier. Building issues encountered renewed demand on hopes that any further cut in interest rates will stimulate activity in the house building industry. Clearing Banks were flat on the impending industrial action by staff in support of pay claims. Oil stocks were generally lower and Lasmo fell ahead of results to be announced tomorrow. Kaffirs improved in line with the higher gold price.

Financial Times Index (3.00 p.m.) 500.7 (down 0.2)

C.N.D. Sales and Purchases

NIL

BANK

Sales	£	23,908,000
Purchases	£	16,151,000
Nett Sales on balance	£	7,757,000