

Friday, 27th March, 1981.

The Gilt Edged market opened steady in quiet trading with most of the interest concentrated in the application for the Index Linked issue. However a few buyers soon appeared in the longest stocks and prices in this section responded quickly. The firmness spread to some extent back up in to the medium area. By lunchtime prices of longer stocks were $\frac{1}{4}$ - $\frac{1}{2}$ higher with mediums about $\frac{1}{8}$ up, and short-dated stocks hardly changed. The market remained quiet during the afternoon and closed steady at around the lunchtime levels.

At 3.30 the issue by tender was announced of £1.1 billion Treasury 11 $\frac{1}{2}$ % 1985 at a minimum tender price of 96 $\frac{1}{2}$ (15% paid).

The Industrial market opened easier on the last day of the current account. Although prices remained lower on balance in quiet two-way trade, the undertone was firm with dealers anticipating an improvement in after-hours dealing for the next account. Among Financials, Insurance shares were dull following some disappointing results recently. However, Commercial Union were better on vague bid rumours. Clearing Banks moved higher, while Merchant Banks were steady. Kleinwort, Benson weakened on further consideration of yesterday's final results. The Building and Property sectors encountered investment interest on renewed suggestion of lower interest rates. Oil stocks showed a marked lack of support and Lasmo continued to ease, reflecting bearish press comment on this week's figures. Kaffirs were initially in demand but reacted in later business to close unchanged in line with the bullion price.

Financial Times Index (3.00 p.m.) 518.1 (down 0.8)

<u>C.N.D.</u>	Sales	£	2,866,000
	Purchases		NIL
	Nett Sales on balance	£	2,866,000
<u>BANK</u>	Sales		NIL
	Purchases	£	9,254,000
	Nett Purchases on balance	£	9,254,000