

Wednesday, 1st April, 1981.

The Gilt Edged market opened quietly firm this morning continuing the slight improvement after hours last night. A few buyers came in during the early morning and prices improved so that by lunchtime rises of $\frac{1}{4}$ - $\frac{3}{8}$ were widespread. After minor fluctuations during the afternoon prices closed the day looking firmer again with shorts up to $\frac{3}{8}$ higher and longs up to $\frac{1}{2}$ better on the day. Turnover in the Index-Linked stock was again very small with the price little changed at $34\frac{15}{16}$ (35% paid).

The Industrial market opened steady. Prices tended higher during the day on investment interest despite the latest Bank of England quarterly economic bulletin which remained cautious. The Insurance sector was buoyant, influenced by favourable annual figures from several major companies. Guardian Royal Exchange and Sun Alliance were marked up sharply as profits exceeded market estimates, while both Phoenix Assurance and Legal and General were better, also announcing excellent results. Engineering issues showed a general improvement with Babcock International well supported as the dividend was maintained although profits were halved. Weir Group were lower on the larger than expected loss and proposed capital reconstruction. Among firm 'blue-chip' companies, Unilever encountered strong institutional demand following a broker's recommendation. Stores, Foods and Building shares were mainly better, while Breweries eased. Oil stocks fell, extending the recent weak trend. Kaffirs were marginally higher in line with the gold price.

Financial Times Index (3.00 p.m.) 530.3 (up 2.2)

<u>C.N.D.</u>	Sales and Purchases	NIL
<u>BANK</u>	Sales	£ 19,452,000
	Purchases	£ 3,467,000
	Nett Sales on balance	£ 15,985,000