

Tuesday, 9th March, 1982.

The Gilt-Edged market has been quieter in front of the Budget and prices have been generally easier, influenced both by the fall in U.S. bond prices overnight, and by the desire of some holders to take profits before the statement. After opening $\frac{1}{4}$ - $\frac{1}{2}$ down the market saw some selling particularly in the longer end and prices eased further during the morning so that shorts were at one time up to $\frac{3}{4}$ down and longs had fallen by up to 1 point. Both before and after the banking figures, which were well received short-dated stocks recovered ground, whereas longs stayed around their worst levels. As a result longs closed the day up to 1 point down while shorts only showed losses of up to $\frac{1}{4}$.

The Industrial market opened easier following the overnight decline on Wall Street. Prices continued to move lower ahead of the Budget and, with little or no buying evident, all sections closed at or around the worst levels. Banking, Insurance and Property shares were dull, while Building issues met profit-taking after their recent rises. Brewery and Tobacco shares were nervous on fears of Budget taxes, while Oil issues, after opening sharply easier, rallied during the day. De Beers reacted to the disappointing figures and reduced dividend, with Kaffir issues continuing the downward trend on the gold fix price.

Financial Times Index (3.00 p.m.) 555.8 (down 8.3)

C.N.D.

Sales and Purchases

NIL

BANK