

Wednesday, 10th March, 1982.

The Gilt-Edged market has spent the day adjusting to the Budget, and although prices in early dealings were wider than normal, there has been a very good turnover all day with substantial amounts of stock changing hands. Prices fluctuated during the day but did not change all that much from opening levels. Index-Linked stocks obviously had the largest adjustment and opened up to 10 points higher. Here again turnover was good by past Index-Linked standards, and prices closed about 2 points below the opening levels. Fixed coupon stocks all opened better with longs quickly establishing a 2 - 2<sup>1</sup>/<sub>4</sub> point rise, and, after further improvement, closing just below the best levels. Shorts closed <sup>7</sup>/<sub>8</sub> - 1<sup>1</sup>/<sub>4</sub> better which was in some cases about <sup>1</sup>/<sub>4</sub> below the best. Low coupon stocks suffered from the announcement of the new Index-Linked 1988 stock and closed with losses of up to 1<sup>1</sup>/<sub>2</sub> points.

At the close the issue to the Bank was announced of a further five tranches (£100 million each) of medium/long stock -

12 <sup>1</sup> / <sub>4</sub> %	Exchequer Stock 1992
13 <sup>1</sup> / <sub>2</sub> %	Exchequer Stock 1994
12 <sup>1</sup> / <sub>2</sub> %	Exchequer Stock 1994
12%	Treasury Stock 1995
14%	Treasury Stock 1996

The Industrial market opened better in response to yesterday's Budget which was generally well received. However, the initial investment demand was not sustained and the absence of any base rate reductions caused most sectors to react, closing around overnight levels. Clearing Banks weakened on fears that the Chancellor will impose another 'windfall profits' tax. Among Merchant Banks, Schrodgers were unchanged following annual results. Discount House shares were better, awaiting the widely anticipated cut in interest rates. The Building sector was well supported after some favourable Budget proposals, which should improve trading prospects. Brewery and Tobacco issues were higher, relieved that the Chancellor's tax increases were not more severe. Among steady Stores, F. W. Woolworth were lower on disappointing final profits and reduced dividend. In Engineers, Tubes were better on the dividend payment, despite large losses. Kaffirs increased in line with the gold price.

Financial Times Index (3.00 p.m.) 561.0 (up 0.2)

<u>C.N.D.</u>	Sales )		
	Purchases )		NIL

<u>BANK</u>	Sales		NIL
	Purchases	£	34,029,000
	<b>Nett Purchases on balance</b>	<b>£</b>	<b>34,029,000</b>