

17/02

28 June 2002

PRESS NOTICE

GILT-EDGED AUCTIONS: JULY-SEPTEMBER 2002

In the second quarter of the 2002-03 financial year the UK Debt Management Office ("DMO") plans to hold three outright auctions of gilt-edged stock as set out below:

Outright auctions

- Wednesday 10 July 2002: A new Index-linked Stock maturing on 26 January 2035.
- Wednesday 24 July 2002: A new conventional stock maturing on 7 March or on 7 September 2014. The DMO would be interested in receiving further views from market participants on whether this stock should mature on 7 March or on 7 September.
- Wednesday 25 September 2002: A second auction of the new Index-linked Stock maturing on 26 January 2035.

Auction pre-announcements

The nominal amounts to be auctioned outright and the other terms of each auction, including the coupon on the new 2035 index-linked stock and on the new 2014 conventional stock, and the maturity date of the new 2014 conventional stock will be announced at 3.30pm on the following dates:

- Tuesday 2 July 2002 for the auction of the new Index-linked Stock maturing on 26 January 2035.
- Tuesday 16 July 2002 for the auction of the new conventional stock maturing in 2014.
- Tuesday 17 September 2002 for the second auction of the new Index-linked Stock maturing on 26 January 2035.

Conversion offer

In addition, as announced on 18 June 2002, the DMO intends to make, market circumstances permitting, an offer to holders of 9% Treasury Stock 2008 to convert into 5% Treasury Stock 2008 within the next month. Any announcement will include the details of the terms of the offer including the conversion rate.

NOTE TO EDITORS

The remit to the DMO and the auction calendar for the financial year 2002-03 were set out in the Debt & Reserves Management Report 2002-03, issued by HM Treasury on 14 March 2002. The DMO announced further details of the gilts to be auctioned in the first quarter of 2002-03 on 28 March 2002.

Following the Budget on 17 April 2002 the DMO's remit for 2002-03 was revised, with planned long conventional gilt sales being reduced by £0.6 billion (cash), taking total planned gilt sales to £22.4 billion (cash). Planned sales under the remit are split as follows (with amounts sold in the financial year to date in brackets):

- Short conventionals £5.5 billion (£3.0 billion)
- Medium conventionals £5.5 billion (£0)
- Long conventionals £6.9 billion (£2.2 billion)
- Index-linked £4.5 billion (£0.9 billion)

Gilt sales from the three gilt auctions held in the first quarter of the financial year have amounted to £6.1 billion (cash).

The DMO holds conversion offers from time to time to seek to build up the amount in issue of stocks faster than would be the case than by outright auctions alone. 5% Treasury Stock 2008 was first issued on 26 June and currently has £3,050 million (nominal) in issue.

This press release will be appearing on the DMO web site www.dmo.gov.uk