

11/01

PRESS NOTICE

30 March 2001

GILT-EDGED AUCTIONS: APRIL-JUNE 2001

In the first quarter of the 2001-02 financial year the UK Debt Management Office (DMO) plans to hold two outright auctions of gilt-edged stock and one switch auction as set out below:

Outright auctions

- Wednesday 25 April 2001: 2½% Index-linked Treasury Stock 2011;
- Thursday 24 May 2001: a new medium maturity, current coupon conventional stock with a new set of coupon dates (7 March and 7 September), and a maturity date of 7 March 2012. It is intended that the new stock will become strippable in due course. The DMO will give at least three months' notice of the stock becoming strippable.

Switch auction

- Thursday 21 June 2001: from 8½% Treasury Stock 2007 into the new 2012 maturity stock.

Auction pre-announcements

The nominal amounts to be auctioned outright, the coupon on the new 2012 maturity stock, the maximum amount of 8½% Treasury Stock 2007 to be switched, and other terms of each auction will be announced at 3.30pm on the following dates:

- Tuesday 17 April for the auction of 2½% Index-linked Treasury Stock 2011;

- Tuesday 15 May for the auction of the new 2012 maturity conventional stock;
- Tuesday 12 June for the switch auction out of 8½% Treasury Stock 2007.

NOTE TO EDITORS

HM Treasury's remit to the DMO for 2001-02 was published on 7 March 2001 in the Debt and Reserves Management Report. Gilt sales of £13.50 billion (cash) are planned, divided as follows:

- Medium maturity conventional gilts: £4.75 bn
- Long maturity conventional gilts: £5.00 bn
- Index-linked gilts (2009 maturity and longer): £3.75 bn

Eight outright gilt auctions are planned – four conventional and four index-linked. The calendar for gilt auctions is as follows.

Date	Type
Wednesday 25 April 2001	2½% IL 2011
Thursday 24 May 2001	New 2012 maturity conventional
Wednesday 25 July 2001	Index-linked
Wednesday 26 September 2001	Conventional
Wednesday 24 October 2001*	Index-linked
Wednesday 28 November 2001*	Conventional
Thursday 24 January 2002	Index-linked
Wednesday 27 March 2002*	Conventional

* Subject to confirmation following the Chancellor's decisions on the Budgetary timetable

Decisions on the auction stocks for July-September 2001 will be announced by the DMO at 3.30pm on Friday 29 June 2001.

New coupon dates

Following consultation with the market, the DMO is introducing a new set of coupon dates to supplement the current 7 June / 7 December cycle. The establishment of a new set of dates is intended to help smooth the current peaks in the annual cycle of gilt coupon payments.

Switch auctions

Switch auctions were introduced in October 1999. The switch auction announced today will be the sixth to be held. Switch auctions allow benchmark stocks to be built up faster than would otherwise be the case in times of relatively low outright issuance.

This press notice will be appearing on the DMO's web site at: www.dmo.gov.uk. The Debt and Reserves Management Report 2001-02 and the DMO's remit for 2001-02 are also available on the DMO's web site.