

30 June 1998

8/98

PRESS NOTICE

GILT-EDGED AUCTIONS: JULY TO SEPTEMBER 1998

In the second quarter of the 1998-99 financial year there will be one auction of gilt-edged stock, by the Debt Management Office ("DMO") as set out below:

- Wednesday 29 July 1998: a new medium-dated stock with a redemption date of 7 December 2009.

The stock will be strippable from the date of issue. The coupon, the amount of stock to be auctioned, and the terms of the auction will be announced by the DMO at 3.30pm on Tuesday, 21 July 1998.

Details of progress with gilt sales in 1998-99 were announced on 17 June 1998. Copies of that announcement are available on request from the DMO, as are copies of the summary record of the meetings with gilt-edged market makers and end investors.

NOTE TO EDITORS

This auction is the second of three planned conventional auctions in HM Treasury's revised 1998-99 Remit to the DMO. The original 1998-99 Remit (of 19 March 1998) was amended following the publication of the Economic and Fiscal Strategy Report (EFSR) on 11 June 1998; this showed a fall of £2.6 billion (to £11.6 billion) in the estimated gilt funding requirement. As a consequence, one of the originally planned conventional auctions for 1998-99 was cancelled.

The first conventional auction (of long dated stock) took place on 20 May. The new Remit specified that the balance of conventional issuance over the year would be split equally between short and medium issuance. The final conventional auction is scheduled for Wednesday, 24 March 1999. In addition, two index-linked gilt auctions remain as planned for Wednesday, 28 October 1998 and Wednesday, 27 January 1999. More details of the changes to the 1998-99 Remit were included in the DMO press release of 11 June 1998.

