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## PRESS NOTICE

### **SYNDICATED RE-OPENING OF 0<sup>1</sup>/<sub>8</sub>% INDEX-LINKED TREASURY GILT 2041 IN THE WEEK COMMENCING 4 FEBRUARY 2019: APPOINTMENT OF SYNDICATE**

The United Kingdom Debt Management Office (DMO) announces the appointment of a syndicate to sell by subscription the forthcoming re-opening of 0<sup>1</sup>/<sub>8</sub>% Index-linked Treasury Gilt 2041.

Joint Bookrunners: Barclays, BofA Merrill Lynch, Deutsche Bank and RBC Capital Markets.

Co-Lead Managers: All other panel member Index-linked Gilt-edged Market Makers (IL GEMMs) have been invited to be Co-Lead Managers.

The DMO has appointed a panel comprising exclusively wholesale GEMM firms from which it has chosen syndicate members for the conduct of the programme of syndications in the financial year 2018-19. The programme is currently planned to total £18.9 billion via four transactions (two each of long conventional and index-linked gilts).

This final transaction in the 2018-19 syndication programme is currently planned to take place in the week commencing 4 February 2019, subject to market and demand conditions. Further details of the sale will be announced in due course.

#### **Notes for editors**

The DMO's financing remit for 2018-19, published alongside the Spring Statement on 13 March 2018, included the provision for a programme of syndicated offerings to be held in

2018-19 aiming to raise a minimum of £17.0 billion<sup>1</sup> (split £9.0 billion of long conventional gilts and £8.0 billion of index-linked gilts). The DMO also announced that it envisaged holding four syndicated offerings (two each of long conventional gilts and index-linked gilts) in 2018-19.

At the remit revision announced alongside the publication of the 2017-18 CGNCR (ex NRAM, B&B and NR)<sup>2</sup> outturn on 24 April 2018, the minimum size of the syndication programme in 2018-19 was increased by £1.0 billion to £18.0 billion with the increase split equally between the long conventional and index-linked gilt programmes, taking the minimum sizes of those programmes to £9.5 billion and £8.5 billion respectively.

The remit for 2018-19 also included an initially unallocated portion of gilt issuance of £6.6 billion, which was increased to £6.7 billion at the remit revision on 24 April 2018. The remit provides that this portion can be used to issue any type or maturity of gilt via any issuance method.

As a consequence of the sizing decisions at the first two syndications in the 2018-19 programme £1.0 billion of the unallocated portion of issuance was transferred to the long conventional syndication programme on 15 May 2018 and £600 million was transferred to the index-linked syndication programme on 11 July 2018.

At the Autumn Budget on 29 October 2018, the planned size of the index-linked syndication programme was reduced by £700 million to £8.4 billion and the size of the unallocated portion of gilt issuance was reduced by £2.1 billion<sup>3</sup>, leaving a residual balance after Autumn Budget 2018 of £1.5 billion.

The results of the three syndications held to-date in 2018-19 are summarised in the table below:

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
15 May 2018	1½% Treasury Gilt 2071	6,000	97.615	1.693	5,843
11 Jul 2018	0½% Index-linked Treasury Gilt 2041	3,250	148.973	-1.617	4,835
09 Oct 2018	1½% Treasury Gilt 2071	5,250	90.085	1.924	4,719
<i>Figures may not sum due to rounding.</i>					<b>15,397</b>

On 30 November 2018, the DMO announced plans to re-open 0½% Index-linked Treasury Gilt 2041 by syndication in the late January-mid February 2019.

On 18 January 2019, the DMO announced plans to re-open 0½% Index-linked Treasury Gilt 2041 by syndication in the week commencing 4 February 2019.

This Press Notice will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)

<sup>1</sup> Figures in this Press Notice are in cash terms unless stated otherwise.

<sup>2</sup> Central Government Net Cash Requirement (excluding Northern Rock (Asset Management) (NRAM), Bradford and Bingley (B&B) and Network Rail (NR)).

<sup>3</sup> £1.5 billion of the unallocated pot had earlier been transferred to the gilt auction programme on 31 August 2018.