

PUBLICATION OF THE DMO'S PROVISIONAL FINANCING REMIT FOR 2009-10

The provisional debt management report 2009-10 published today includes a financing remit using the forecast Central Government Net Cash Requirement (CGNCR) for 2009-10 as published in the 2008 Pre-Budget Report (PBR) on 24 November 2008. The provisional financing arithmetic for 2009-10 has not been revised since the 2008 Pre-Budget Report. Operationally, the provisional remit covers the period April-May 2009.

A new financing remit for 2009-10 will be presented in the Debt and reserves management report 2009-10 to be published alongside Budget 2009 on 22 April 2009. Therefore, it should not be assumed that the gilt issuance split set out below (and in Table 1) will necessarily be maintained in light of the updated financing forecast to be published in Budget 2009.

Gilt sales of £147.9 billion are planned in the DMO's provisional financing remit for 2009-10, published today. The provisional gilt sales plans are split as follows:

- | | |
|-----------------------------|------------------------------|
| • Short-dated conventional | £63.6 billion in 16 auctions |
| • Medium-dated conventional | £32.5 billion in 11 auctions |
| • Long-dated conventional | £31.1 billion in 14 auctions |
| • Index-linked | £20.7 billion in 20 auctions |

The provisional split of conventional and index-linked gilt issuance set out above is the same proportionate split of issuance that was published for 2008-09 alongside the 2008 Pre-Budget Report (i.e. the 2008-09 proportionate split has been carried forward into the 2009-10 provisional remit).

The provisional gilt sales programme above may be supplemented between auctions by sales of gilts by mini-tender. The DMO will specify the weeks in which it intends to hold mini-tenders in its quarterly issuance announcements. To the extent that sales are conducted by mini-tenders, the number of auctions above may need to be revised. Any such revisions would be made in future quarterly issuance announcements.

The provisional financing arithmetic for 2009-10 is shown in Table 1. The provisional gilt auction calendar for 2009-10 is shown in Table 2. Following consultation meetings to be held on 23 March, the DMO will announce on 31 March¹ a detailed gilt auction calendar for April-May 2009. The auction calendar for April and May 2009 will not be changed as a result of the publication of an updated public finances forecast in Budget 2009, but the dates of auctions from June onwards may change depending on revisions to the remit announced in Budget 2009.

The DMO has today published its response² to the consultation on supplementary methods for gilt distribution, which sets out the DMO's provisional conclusions in

¹ The sizes and other details of the conventional gilt auctions scheduled for 1 and 2 April 2009 will be announced at 3.30pm on Tuesday 24 March 2009.

² The consultation response is available on the DMO's website at:
<http://www.dmo.gov.uk/documentview.aspx?docname=publications/giltmarket/consultationpapers/cons20090318.pdf>

respect of supplementary distribution methods. The Government will announce details of any new supplementary distribution methods in the Debt and reserves management report 2009-10 to be published alongside Budget 2009.

Table 1: Provisional financing arithmetic 2009-10

Provisional Financing arithmetic (£bn)	2009-10
CGNCR	126.0
Gilt redemptions	18.1
Gross financing requirement	144.1
Less	
NS&I	0.0
Net financing requirement	144.1
Financed by	
1. Debt issuance by the DMO	
a) Treasury bills	0.0
b) Gilt sales	147.9
of which:	
Short-dated conventionals	63.6
Medium-dated conventionals	32.5
Long-dated conventionals	31.1
Index-linked gilts	20.7
2. Other planned change in short term debt	
Ways and Means	-3.8
3. Change in short term cash position	0.0
Total financing	144.1
Short-term debt levels at end of financial year	
Assumed Treasury bill stock (in market hands)	32.1
Ways and Means	0.4
DMO net cash position	0.5

Table 2: Provisional Gilt auction calendar 2009-10³

Date	Type	Date	Type
2009		2010	
01-Apr	Conventional	06-Jan	Conventional
02-Apr	Conventional	13-Jan	Conventional
07-Apr	Conventional	14-Jan	Index-linked
08-Apr	Index-linked	21-Jan	Conventional
16-Apr	Conventional	28-Jan	Index-linked
28-Apr	Conventional	02-Feb	Conventional
30-Apr	Index-linked	03-Feb	Conventional
06-May	Conventional	09-Feb	Conventional
12-May	Conventional	11-Feb	Index-linked
14-May	Index-linked	18-Feb	Conventional
21-May	Conventional	24-Feb	Conventional
28-May	Index-linked	25-Feb	Index-linked
03-Jun	Conventional	03-Mar	Conventional
09-Jun	Conventional	09-Mar	Conventional
11-Jun	Index-linked	11-Mar	Index-linked
23-Jun	Conventional	24-Mar	Conventional
02-Jul	Conventional		
07-Jul	Conventional		
08-Jul	Index-linked		
16-Jul	Conventional		
21-Jul	Conventional		
29-Jul	Index-linked		
04-Aug	Conventional		
05-Aug	Conventional		
11-Aug	Conventional		
20-Aug	Index-linked		
03-Sep	Conventional		
09-Sep	Index-linked		
17-Sep	Conventional		
22-Sep	Conventional		
24-Sep	Index-linked		
29-Sep	Conventional		
01-Oct	Conventional		
07-Oct	Index-linked		
14-Oct	Conventional		
22-Oct	Index-linked		
04-Nov	Conventional		
10-Nov	Conventional		
12-Nov	Index-linked		
19-Nov	Conventional		
24-Nov	Conventional		
01-Dec	Conventional		
02-Dec	Conventional		
09-Dec	Index-linked		
17-Dec	Index-linked		

18 March 2009

³ From 2009-10 conventional gilt auctions may be sized in increments of £50 million (nominal). Index-linked gilt auction increments remain at £25 million (nominal).