



QUARTERLY

Review

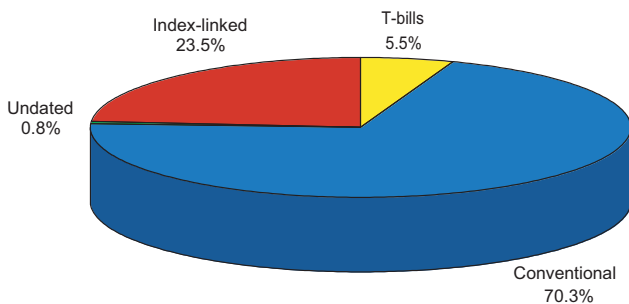
The United Kingdom Debt Management Office is an Executive Agency of HM Treasury

www.dmo.gov.uk

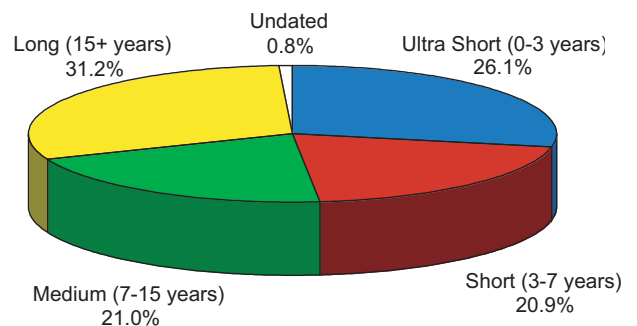
Details of the gilt portfolio as of 31 March 2005

Gilt portfolio summary statistics	31 December 2004	31 March 2005
Nominal value of the gilt portfolio (including inflation uplift)	£343.29 bn	£355.55 bn
Market value of the gilt portfolio	£379.42 bn	£387.08 bn
Weighted average market yields:		
• Conventional gilts	4.47%	4.65%
• Index-linked gilts	1.66%	1.72%
Portfolio average maturity:	12.13 years	11.96 years
• Conventional gilts	11.69 years	11.50 years
• Index-linked gilts	13.44 years	13.34 years
Average modified duration:		
• Conventional gilts	7.64 years	7.45 years
• Index-linked gilts	10.92 years	10.85 years
Average coupon on conventional gilts (weighted by market value)	6.17%	6.12%
Average nominal amount outstanding of largest 20 gilts (including inflation uplift)	£12.72 bn	£12.89 bn

Composition of debt stock**



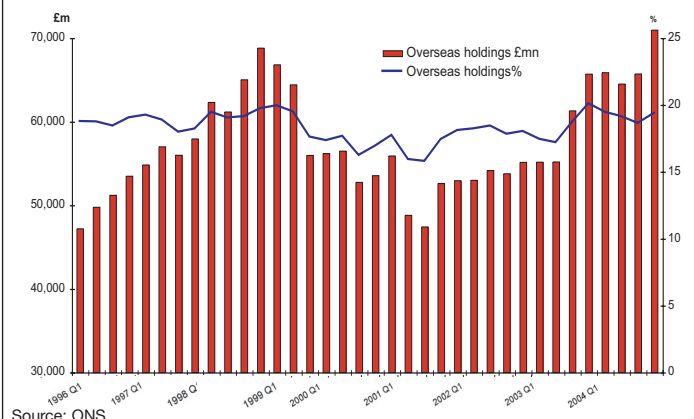
Debt portfolio maturity split**



Distribution of holdings at 31 December 2004

(£ millions)	at end Q3 2004	Q4 2004
Insurance Companies and Pension Funds	218,335	218,331
Overseas	65,717	70,970
Other financial institutions	38,643	42,840
Households	31,830	32,692
Local Authorities and Public Corporations	2,967	2,952
Building Societies	702	1,034
Banks*	-5,135	-2,400
TOTAL	353,059	366,419

Overseas holdings of gilts



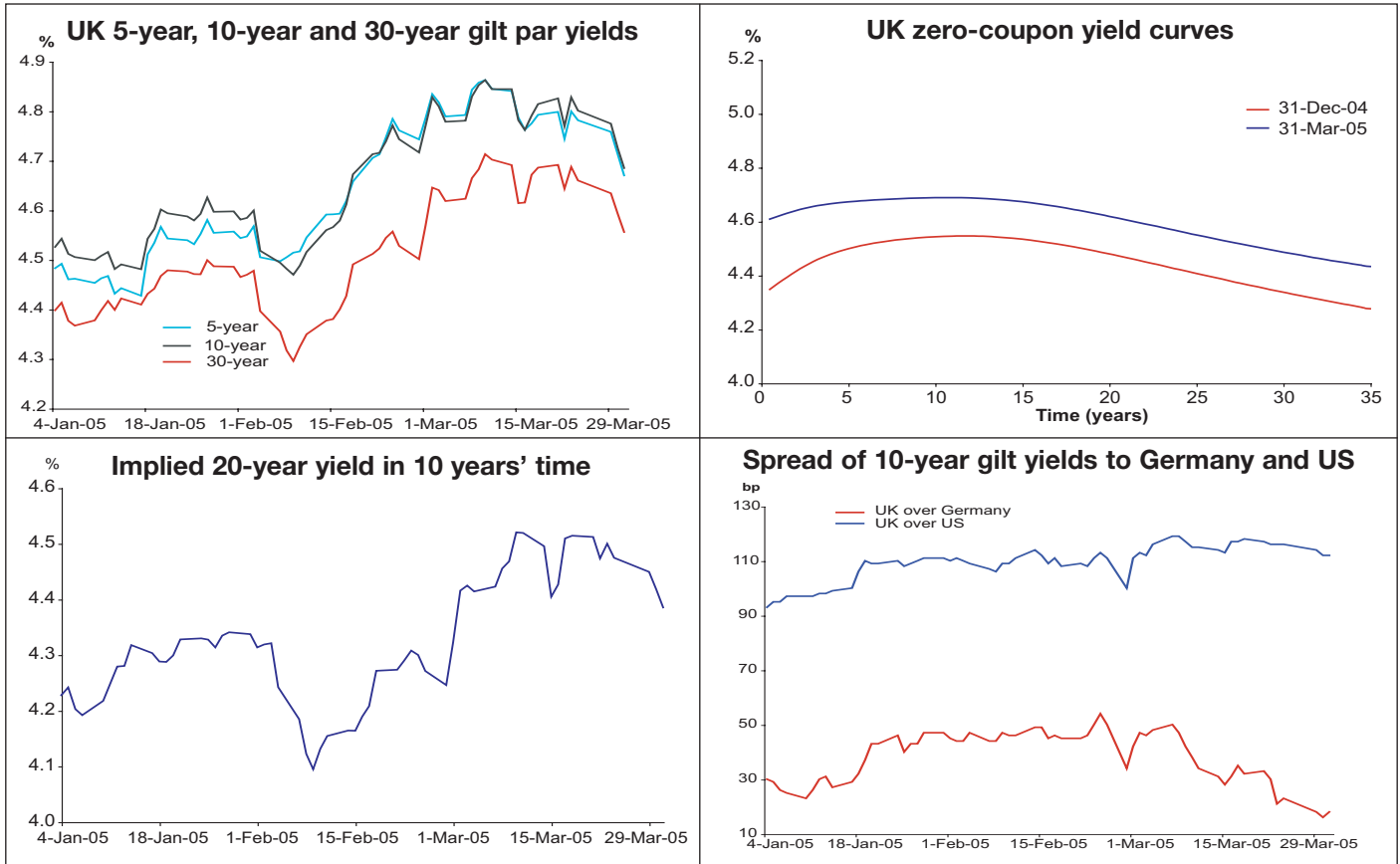
Source: ONS. Note: These figures can be revised retrospectively

Figures in the pie charts may not sum due to rounding.

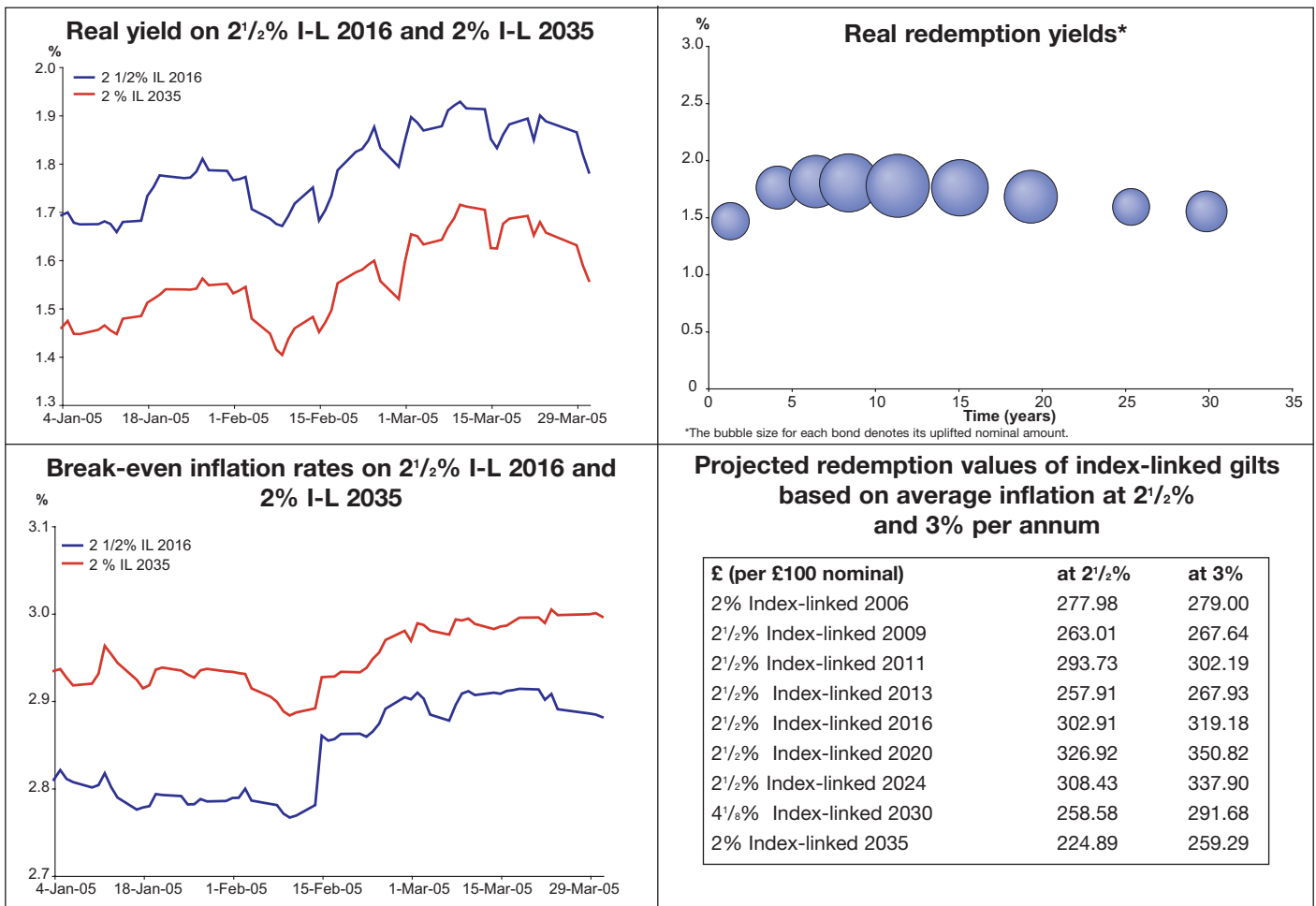
* Repo position.

**Excludes £10bn of Treasury bill collateral maturing on 25 April 2005.

Conventional gilts



Index-linked gilts



Gilt market flows (£mn)

	Issuance at auctions (cash)	Redemption	Coupons*	Net financing from gilts after redemptions and coupons
Mar-04	2,744	-70	-2,305	369
April-04	3,111	0	-447	2,664
May-04	6,517	-14	-468	6,035
Jun-04	3,304	-7,043	-3,409	-7,148
Jul-04	5,842	0	-984	4,858
Aug-04	2,587	0	-641	1,946
Sep-04	3,174	0	-2,696	478
Oct-04	5,676	-1,518	-452	3,706
Nov-04	4,235	-6,120	-469	-2,354
Dec-04	2,635	0	-3,441	-806
Jan-05	6,138	0	-1064	5,074
Feb-05	3,276	0	-658	2,618
Mar-05	3,308	0	-2877	431
Apr-05	N/A	-4,373	-403	-
May-05	N/A	0	-247	-
Jun-05	N/A	0	-3818	-

Figures may not sum due to rounding

* Coupon flow numbers are for the stock of debt outstanding at end-quarter.

Outright auction results

Auction date	Gilt	Issue amount (nominal)	Cover	Yield tail (basis points)	Average accepted price	Yield at average accepted price
12-Jan-05	2% IL 2035	£625mn	2.99	N/A ^a	£121.03	1.47%
20-Jan-05	4% 2010	£3,000mn	1.61	1	£101.01	4.53%
27-Jan-05	4% 2038	£2,250mn	1.95	1	£104.55	4.49%
02-Feb-05	2½% IL 2013	£375mn	3.04	N/A ^a	£221.10	1.80%
24-Feb-05	4% 2010	£2,750mn	1.31	1	£99.93	4.76%
02-Mar-05	4% IL 2030	£400mn	2.09	N/A ^a	£207.40	1.66%
24-Mar-05	4% 2020	£2,500mn	2.04	0	£99.18	4.83%

^a Index-linked gilts are issued through a uniform price format.

Outturn against the 2004-05 gilts remit at 31 March 2005

(£ mn)	Conventional gilts			Index-linked gilts	Total
	Short (0-7 years)	Medium (7-15 years)	Long (>15 years)		
Remit plans	17,600	10,200	14,500	8,000	50,300
Outright sales	17,553	10,075	14,479	7,995	50,102

2004-05 and 2005-06 financing requirements

	2004-05 Outturn	2005-06 Budget	2005-06 Revised
<i>Figures may not sum due to rounding</i>			
(£ bn)			
CGNCR forecast	38.6	40.2	40.2
Redemptions	14.7	14.5	14.6
Financing for the Official Reserves	0.0	0.0	0.0
Debt buy-backs	0.1	0.0	0.0
Planned short-term financing adjustment	-2.9	1.3	-2.7
Gross Financing requirement	50.5	56.0	52.1
Less			
National Savings & Investments' contribution	1.9	3.5	3.5
Net financing requirement	48.5	52.5	48.6
Gilt sales planned during the year	50.1	53.5	51.1
Change in planned Treasury bill stock	1.2	-1.0	-2.5
Change in Ways and Means	0.0	0.0	0.0
DMO net cash position at end of financial year	2.9	0.2	0.2

Details of market activity

Top twenty gilts traded (by market value) in the thirteen weeks to 1 April 2005

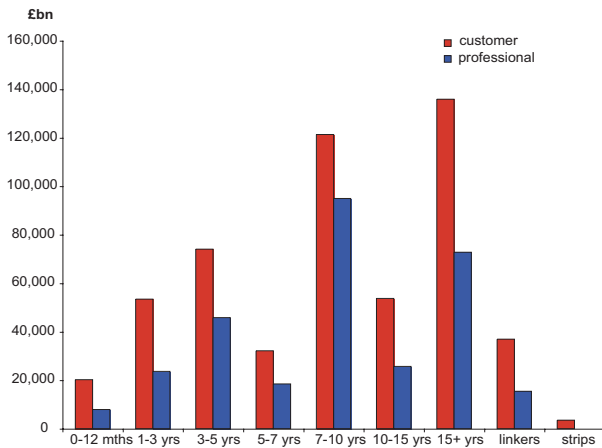
Gilt	Market value of trades (£mn)	% of value of all gilt trades	Turnover ratio ^a (%)	Number of bargains ('000s)	Average bargain size (£mn)
5% Treasury 2014	184,396	21%	14	15	12
4% Treasury 2009	72,803	8%	6	10	8
4¼% Treasury 2032	64,445	7%	5	8	8
4¾% Treasury 2015	63,910	7%	5	11	6
4½% Treasury 2007	51,693	6%	4	4	12
5% Treasury 2008	46,078	5%	3	7	7
8% Treasury 2021	43,265	5%	2	10	4
5% Treasury 2025	37,964	4%	3	4	9
5% Treasury 2012	31,292	4%	2	9	4
4¼% Treasury 2036	30,706	4%	3	4	8
8% Treasury 2013	25,561	3%	3	2	16
5¼% Treasury 2009	25,543	3%	2	6	4
7½% Treasury 2006	21,900	3%	5	3	7
6% Treasury 2028	20,558	2%	1	4	5
8½% Treasury 2005	19,933	2%	2	3	7
8% Treasury 2015	13,056	1%	1	1	12
8¾% Treasury 2017	11,962	1%	1	1	11
2% Index-linked 2035	10,384	1%	1	2	4
9½% Conversion 2005	9,545	1%	2	1	9
2½% Index-linked 2013	8,439	1%	1	4	2

The top twenty gilts account for 91% of total market turnover.

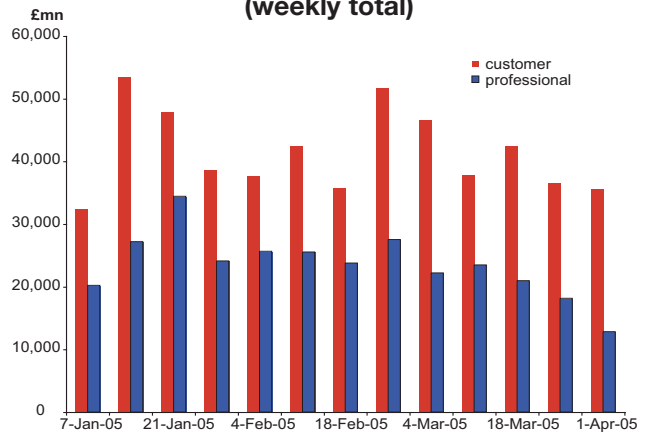
The information is based on provisional information provided by the London Stock Exchange and should only be treated as indicative.

^a The total market value of the gilt traded over the quarter relative to the market value of the outstanding gilt at the end of the quarter.

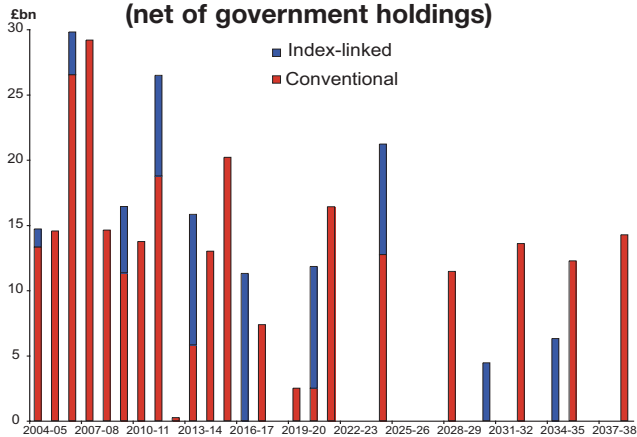
GEMM turnover by maturity band, Q1 2005



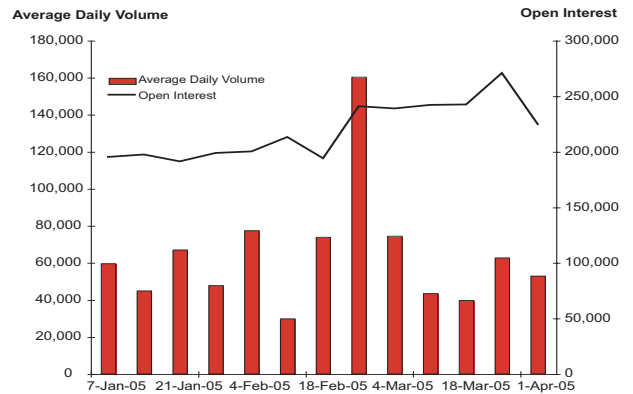
Total GEMM market turnover (weekly total)



Gilt redemptions (net of government holdings)



Average daily turnover of the long gilt futures contract and open interest*



* Weekly average of the daily turnover and end-week level of open interest.

Source: LIFFE

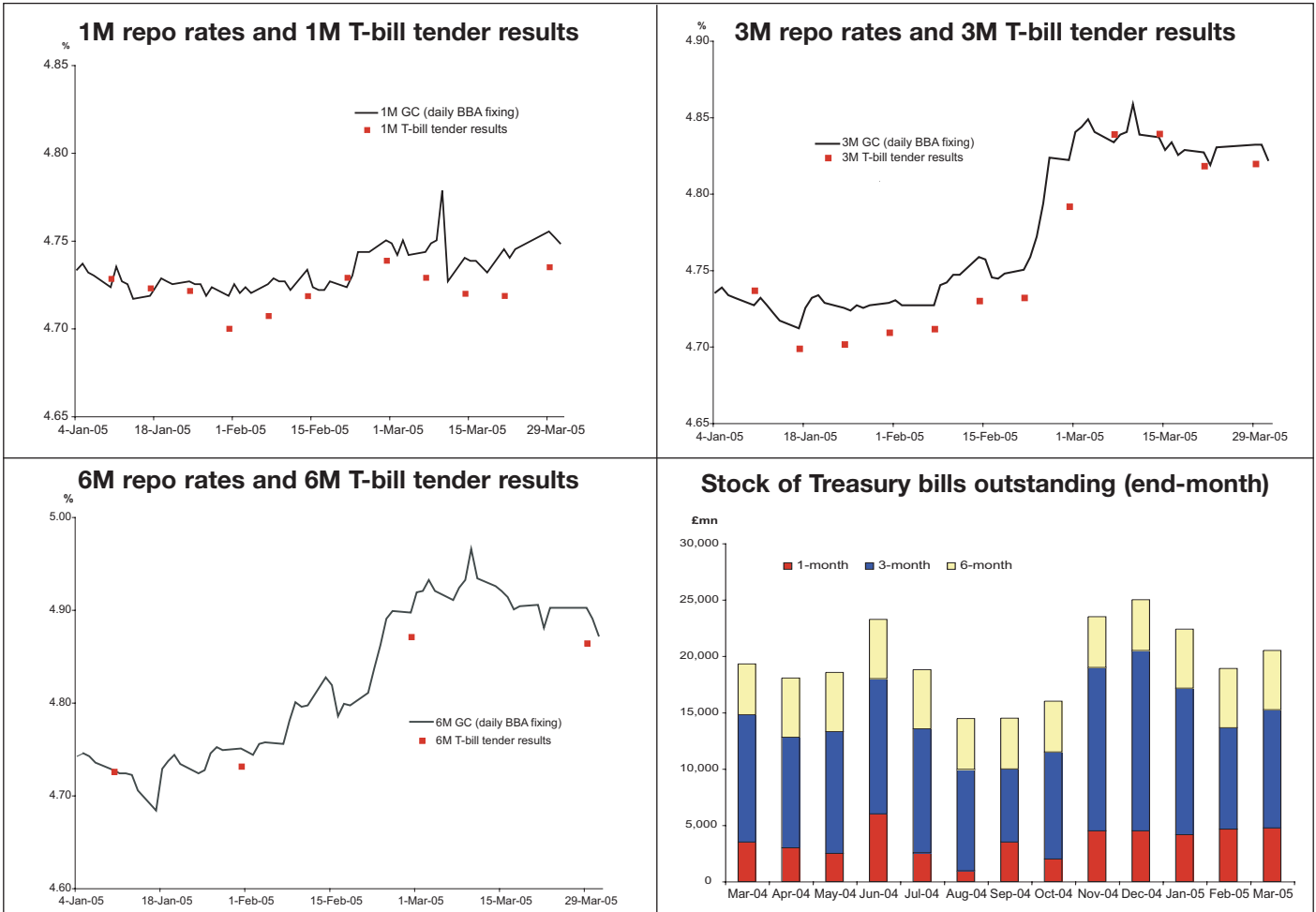
Gilts in issue at 31 March 2005 (£mn nominal)

Conventional gilts	Redemption date	Amount in issue	Amount held in stripped form	DMO/CRND* Holdings
9½% Conversion 2005	18-Apr-05	4,469	–	95
8½% Treasury 2005	07-Dec-05	10,486	154	310
7¼% Treasury 2006	08-Sep-06	3,955	–	440
7½% Treasury 2006	07-Dec-06	11,807	172	276
4½% Treasury 2007	07-Mar-07	11,500	74	27
8½% Treasury 2007	16-Jul-07	4,638	–	371
7¼% Treasury 2007	07-Dec-07	11,103	131	244
5% Treasury 2008	07-Mar-08	14,221	30	166
5½% Treasury 2008/2012	10-Sep-08	1,026	–	182
4% Treasury 2009	07-Mar-09	13,250	7	22
5¾% Treasury 2009	07-Dec-09	11,437	110	359
4¾% Treasury 2010	07-Jun-10	9,250	1	11
6¼% Treasury 2010	25-Nov-10	4,958	–	477
9% Conversion 2011	12-Jul-11	5,396	–	205
7¼% Treasury 2012/2015	26-Jan-12	805	–	339
5% Treasury 2012	07-Mar-12	13,346	203	235
8% Treasury 2013	27-Sep-13	6,181	–	386
5% Treasury 2014	07-Sep-14	13,050	2	58
4¾% Treasury 2015	07-Sep-15	13,000	203	8
8% Treasury 2015	07-Dec-15	7,377	167	172
8¾% Treasury 2017	25-Aug-17	7,751	–	380
4¼% Treasury 2020	07-Mar-20	2,500	–	–
8% Treasury 2021	07-Jun-21	16,741	218	346
5% Treasury 2025	07-Mar-25	12,922	53	177
6% Treasury 2028	07-Dec-28	11,756	218	309
4¼% Treasury 2032	07-Jun-32	13,829	593	251
4¼% Treasury 2036	07-Mar-36	12,250	161	3
4¾% Treasury 2038	07-Dec-38	14,250	116	7
3½% War	Undated	1,939	–	31
Index-linked gilts	Redemption date	Amount in issue	Nominal including inflation uplift	DMO/CRND* Holdings
2% I-L Treasury 2006	19-Jul-06	2,037	5,477	37
2½% I-L Treasury 2009	20-May-09	3,098	7,348	74
2½% I-L Treasury 2011	23-Aug-11	4,342	10,880	70
2½% I-L Treasury 2013	16-Aug-13	6,397	13,396	105
2½% I-L Treasury 2016	26-Jul-16	6,805	15,575	170
2½% I-L Treasury 2020	16-Apr-20	5,568	12,537	68
2½% I-L Treasury 2024	17-Jul-24	5,751	10,999	112
4⅞% I-L Treasury 2030	22-Jul-30	3,921	5,421	72
2% I-L Treasury 2035	26-Jan-35	6,175	6,645	2
Rump gilts	Redemption date	Amount in issue		DMO/CRND* Holdings
10½% Exchequer 2005	20-Sep-05	2		–
9¾% Conversion 2006	15-Nov-06	1		–
9% Treasury 2008	13-Oct-08	528		2
8% Treasury 2009	25-Sep-09	256		0.5
9% Treasury 2012	06-Aug-12	245		9
12% Exchequer 2013/2017	12-Dec-13	19		–
2½% Treasury	Undated	468		0.1
4% Consolidated	Undated	287		0.1
2½% Consolidated	Undated	205		2
3½% Conversion	Undated	19		5
3% Treasury	Undated	45		–
2½% Annuities	Undated	2		–
2¾% Annuities	Undated	0.7		–

It is assumed that double-dated issues (which have not been called) currently trading above par will be redeemed at the first maturity date.

*Includes holdings by the Commissioners for the Reduction of the National Debt (CRND) and the DMO. Excludes local authority, public corporations and Bank of England holdings.

Money market operations



Treasury bill tender results Q1 2005

Tender date	Tender amount (£mn)	Average yield (%)	Average price (£)	Cover	Yield tail (bp)
1 month T-bills					
7-Jan-05	1,500	4.7285	99.6386	5.63	0
14-Jan-05	1,500	4.7231	99.6390	4.57	0
21-Jan-05	1,000	4.7216	99.6391	6.08	1
28-Jan-05	150	4.7001	99.6407	8.71	1
4-Feb-05	150	4.7073	99.6402	6.67	0
11-Feb-05	1,500	4.7186	99.6393	3.94	0
18-Feb-05	1,500	4.7291	99.6385	4.23	1
25-Feb-05	1,500	4.7388	99.6249	4.47	0
4-Mar-05	500	4.7291	99.6385	5.47	0
11-Mar-05	1,500	4.7200	99.6392	3.61	0
18-Mar-05	1,500	4.7188	99.6393	5.22	0
24-Mar-05	1,250	4.7351	99.6510	4.69	0
3 month T-bills					
7-Jan-05	1,500	4.7368	98.8328	5.71	1
14-Jan-05	500	4.6988	98.8421	7.98	0
21-Jan-05	500	4.7017	98.8414	9.98	1
28-Jan-05	500	4.7094	98.8269	7.74	1
4-Feb-05	500	4.7116	98.8390	7.57	1
11-Feb-05	500	4.7300	98.8345	6.95	1
18-Feb-05	500	4.7320	98.8340	7.51	1
25-Feb-05	500	4.7917	98.8066	6.84	1
4-Mar-05	1,500	4.8389	98.8080	4.38	2
11-Mar-05	1,500	4.8393	98.8079	3.96	0
18-Mar-05	1,000	4.8183	98.8130	5.54	1
24-Mar-05	1,000	4.8196	98.8256	5.12	0
6 month T-bills					
7-Jan-05	750	4.7257	97.6979	7.00	1
28-Jan-05	750	4.7315	97.6951	7.23	1
25-Feb-05	750	4.8711	97.6160	6.46	3
24-Mar-05	750	4.8642	97.6447	5.63	4

Calendar for Q2 2005

April

5	Announcement of the size of the auctions of 2% Index-linked Treasury Stock 2035 on 12 April and 5% Treasury Stock 2025 on 14 April.
12	Auction of 2% Index-linked Treasury Stock 2035.
14	Auction of 5% Treasury Stock 2025.
18	Redemption of 9½% Conversion 2005.
19	Announcement of the size of the auction of 4¾% Treasury Stock 2010 on 28 April. Publication of the March RPI by the ONS and the dividend fixing for 2½% Index-linked Treasury Stock 2009.
28	Auction of 4¾% Treasury Stock 2010.

May

17	Announcement of the size of the auction of 2½% Index-linked Treasury Stock 2016 on 24 May and of the auction on 26 May of a new conventional gilt maturing on 7 December 2055. The coupon on the new ultra-long gilt will also be announced on this date. Publication of the April RPI by the ONS.
24	Auction of 2½% Index-linked Treasury Stock 2016.
26	Auction of the new current coupon conventional gilt maturing on 7 December 2055.
31	Announcement of the size of the auction of 4¾% Treasury Stock 2020 on 7 June.

June

7	Auction of 4¾% Treasury Stock 2020.
14	Announcement of the size of the auction of 4½% Index-linked Treasury Stock 2030 on 23 June. Publication of the May RPI by the ONS and the dividend fixing for 2½% Index-linked Treasury Stocks 2006, 2016 and 2024, of 4½% Index-linked Treasury Stock 2030, and 2% Index-linked Treasury Stock 2035.
20	Consultation meetings with gilts market investors (4.00pm) and GEMMs (5.00pm).
21	Publication of the minutes of the Consultation meetings.
23	Auction of 4½% Index-linked Treasury Stock 2030.
24	Publication of the Treasury bill calendar for July-September 2005.
30	Publication of the gilt auction calendar for July-September 2005.

DMO wire service pages

Information	Reuters	Bridge	Moneyline Telerate	Topic	Bloomberg
Index	DMO/INDEX	K:2366	21290	44799	DMO<GO>
Announcements	DMO/GILTS1 to 9	K:3327-K:3335	22550 to 22556	44700 to 44712	DMO1<GO>
Shop window general info	DMO/GILTS10	K:3336	6517	44717	DMO3<GO>
Shop window 1	DMO/GILTS11	K:3337	6518	44718	DMO3<GO>
Benchmark prices	DMO/BENCH1	K:3338	22557	44720 to 44721	DMO2<GO>
GEMMA ref prices (Conventionals)	GEMMA01 to 04	K:3358-K:3361	47216 to 47219	44800 to 44802	DMO5<GO>
GEMMA ref prices (I-L)	GEMMA08	K:3365	47223	44805	DMO5<GO>
GEMMA ref prices (Strips)	GEMMA13 to 22	K:3370-K:3379	21291 to 21300	44850 to 44864	DMO6<GO>
Cash announcements	DMO/CASH01	K:2367	15700 to 15709	44660 to 44669	DMO8<GO>
T-bill tender information	DMO/CASH11	K:2377	15710 to 15711	44670 to 44671	DMO9<GO>
Ad-hoc tender information	DMO/CASH16	K:2382	15715 to 15716	44675 to 44676	DMO10<GO>
T-bill reference prices	DMO/TBILLS01	K:2387	15720 to 15724	44900 to 44909	DMO11<GO>

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