

AGENDA FOR THE QUARTERLY CONSULTATIONS (IN PERSON AND VIA VIDEO CONFERENCE CALL) WITH GILT MARKET INVESTORS (3.30PM) AND GEMMs (5.00PM) TO DISCUSS GILT ISSUANCE IN SEPTEMBER 2022 AND THE OCTOBER TO DECEMBER 2022 PERIOD, ON MONDAY 22 AUGUST 2022¹

The DMO would like to invite GEMMs and investors to join discussions (to take place in the DMO's offices at **The Minster Building, 21 Mincing Lane, London EC3R 7AG** and via MS Teams conference calls) on gilt issuance in September 2022 and in the October to December 2022 period. Attendees may be nominated by their representative organisations or they may contact the DMO directly. Spaces are allocated on a first-come, first-served basis, at the DMO's discretion. Please contact CEO-Office@dmo.gov.uk by close on Friday 19 August 2022 if you would like to reserve a place, also confirming whether you will be attending in person at the DMO's offices or remotely via video conference. For those attending remotely, the meeting access details will be emailed in advance. Alternatively, the DMO would be happy to receive your views on issuance via email to policy@dmo.gov.uk if preferred.

- 1. Review of gilt market operations and conditions in June to August 2022, together with a look ahead to the remainder of Q2 2022-23. As announced on 31 May 2022, the DMO plans to re-open 1½% Green Gilt 2053 via syndication in September 2022. Views are sought on the preferring timing of the syndication.**
- 2. The DMO expects to hold one index-linked syndicated offering in November 2022. The DMO invites views on the preferred maturity and timing of the transaction.**
- 3. The gilt sales requirement for 2022-23 remains unchanged at £131.5 billion. However, the DMO is transferring £4.5 billion from the current unallocated portion of issuance into the auction programme². Reflecting this transfer and to manage auction sizes in the quarter, the DMO is adding four auction dates in Q3 2022-23: three for conventional gilts (one of each maturity bucket) and one index-linked gilt. The new auction dates are 5, 11, 26 October and 9 November 2022. Views are sought on the choice and sequencing of conventional and index-linked gilts for auction in October to December 2022 including the additional auctions. Views should also take into account preferences over the timing of the syndication to be held in the quarter.**
- 4. The DMO is seeking views on any demand for issuance via gilt tenders in September 2022 and in Q3 2022-23, including maturity/maturities and type(s) of gilt(s), as well as timing.**
- 5. Any other business.**

Table 1 below sets out a proposed calendar of the 15 gilt auction dates scheduled in October to December 2022, including a possible schedule of conventional gilt issuance by maturity. The DMO welcomes market views on auction scheduling, taking into account preferences over the maturity and timing of the index-linked syndication to be held in the quarter.

Note that the gilt auction calendar may also be altered, for example, to accommodate any decisions by the Chancellor on the fiscal event timetable, any significant data releases or

¹ Attendees are reminded that it is their responsibility to comply with competition laws and all other applicable laws. If any participants are dialling in from recorded lines, we politely ask that you respect the privacy of this conversation and do not disseminate any information beyond the call participants.

² The expectation is to maintain broadly the current proportionate split, with a planned reallocation as follows: shorts - £1.5bn, mediums - £1.0bn, longs - £1.3bn and index-linked - £0.7bn.

market sensitive events announced subsequently, as well as to accommodate the scheduling of syndicated offerings.

The DMO's ongoing policy is to build up gilts to benchmark size, taking into account the impact of issuance on the gilt redemption profile. The proposed schedule of issuance in Table 1 sets out an example of the DMO's preference to provide regularity of issuance by maturity and type of gilt.

Table 1: October to December 2022 proposed auction calendar and maturity split

Auction date and close of bidding time		Gilt
Tuesday 4 October	10.00am	A long conventional gilt
Wednesday 5 October*	10.00am	A medium conventional gilt
Tuesday 11 October*	10.00am	An index-linked gilt
Wednesday 12 October	10.00am	A short conventional gilt
Tuesday 18 October	10.00am	A long conventional gilt
Tuesday 25 October	10.00am	An index-linked gilt
Wednesday 26 October*	10.00am	A short conventional gilt
Tuesday 1 November	10.00am	A long conventional gilt
Tuesday 8 November	10.00am	A short conventional gilt
Wednesday 9 November*	10.00am	A medium conventional gilt
Tuesday 15 November	10.00am	A long conventional gilt
Thursday 1 December	10.00am	A long conventional gilt
Tuesday 6 December	10.00am	A short conventional gilt
Wednesday 7 December	10.00am	An index-linked gilt
Tuesday 13 December	10.00am	A medium conventional gilt

****Following the planned draw-down of £4.5 billion of the unallocated portion, this auction date is being added to the auction programme in Q3 2022-23.***

- The DMO is planning four short-dated, three medium-dated and five long-dated conventional auctions in the October to December 2022 period.
- **Short (four auctions):** The DMO expects to re-open 0½% 2029 at least once in the quarter and invites views on this and any other choices of short-dated conventional gilts to auction in Q3 2022-23, including the possibility of launching and re-opening a new 5-year gilt. Feedback should take into account the impact of issuance on the near-term redemption profile.
- **Medium (three auctions):** The DMO anticipates re-opening 1% 2032 at least once in the quarter, along with a re-opening of 0⅞% Green Gilt 2033. The DMO welcomes views on

these and any other choices of medium conventional gilts for auction. The DMO does not currently plan to launch any new gilt in the 10-year area in the quarter; however, views are sought about the appropriate timing and maturity for the launch of a new 10-year gilt beyond Q3 2022-23.

- Long (five auctions): The DMO welcomes views on candidates for, and the sequencing of, long conventional gilt auctions in the quarter. The DMO anticipates further building up existing long gilts to benchmark size across the range of maturities. Views are sought on issuance of current long-dated benchmark gilts and/or any other choices of long conventional gilts for auction.

Index-linked gilt issuance

- There are three index-linked gilt auctions scheduled in October to December 2022. The DMO welcomes views on candidates for, and the sequencing of, index-linked gilts for issuance via these auctions. Views should take into account the expectation that an index-linked gilt syndication will take place in November 2022.

The DMO will announce details of the gilt operations calendar for October to December 2022 at 7.30am on Wednesday 31 August 2022.

The next consultations to discuss gilt issuance in January to March 2023 are currently scheduled for 3.30pm (gilt market investors) and 5.00pm (GEMMs) on Monday 21 November 2022³.

³ Subject to confirmation pending any decision by the Chancellor on the timing of fiscal events.