

AGENDA FOR THE QUARTERLY CONSULTATION MEETINGS WITH GILT MARKET INVESTORS, 3.30pm and GEMMs 5.00pm MONDAY 20 NOVEMBER 2006 at:

EASTCHEAP COURT, 11 PHILPOT LANE, LONDON EC3M 8UD

The DMO would like to invite up to 20 end investors to contribute to a discussion on next quarter's gilt issuance. Attendees may be nominated by their representative organisations (e.g. NAPF, ABI etc) or they may contact the DMO directly. Spaces are allocated on a first come, first served basis, at the DMO's discretion. Places will be limited to one person per organisation. Please contact Sarah Ellis or Steve Whiting on 0845 357 6501 or sarah.ellis@dmo.gsi.gov.uk / steve.whiting@dmo.gsi.gov.uk by close Friday 17 November if you would like to attend.

- 1 Gilt market operations: October-December 2006 and Pre Budget Report.**
 - 2. Allocation of £2.5 billion of supplementary gilt issuance in Jan-Mar 2007.**
 - 3. Choice of gilts for**
 - Conventional gilt auctions scheduled on 9 Jan, 22 Feb, 6 Mar and 15 Mar and;**
 - Index-linked auctions scheduled on 18 Jan, 25 Jan, 20 Feb and 27 Mar.**
 - 4. Any other business**
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Conventional issuance

In the next quarter the DMO will consider launching new conventional gilts to become current coupon 5- and 10-year benchmark issues. Attendees are invited to express views on such openings, as well as on the maturity dates and scheduling of auctions for new gilts. At least two long conventional gilt auctions will be held, consistent with the currently scheduled programme. If two new conventional gilts are opened in the next quarter at short and intermediate maturities, the DMO would expect that long conventional auctions will be re-openings of existing gilts; views will be sought on maturities and scheduling.

Index-linked issuance

The DMO's ongoing preference for index-linked issuance is to continue to launch, and build up new benchmark bonds at key maturities across the yield curve. In particular, following the creation of benchmark bonds at 10-, 20- and 50-year maturities, the DMO will consider launching in the coming quarter a new index-linked gilt with either approximately 30- or 40-years to maturity as part of its commitment to monthly long-dated index-linked issuance. Views are sought from attendees on this choice, and the identity of other bonds to be issued or re-opened in a way consistent with the policy of benchmark building at key maturities.

Table: Gilt sales v remit at 13 November 2006

Gilt sales v remit at 13 November 2006 (£ millions).					
	Conventional Gilts			Index-linked gilts	Total
	Shorts (1-7 yrs)	Mediums (7-15yrs)	Longs (15 yrs+)		
Gilt sales to date	4,880	5,002	16,288	11,307	37,477
Core gilt programme	10,000	10,000	17,000	16,000	53,000
Programme to be allocated in-year					
Allocated in-year to date	0	0	6,250	1,250	7,500
Currently allocated programme	10,000	10,000	23,250	17,250	60,500
Remaining to be allocated					2,500
Total planned sales					63,000
Remaining to meet allocated programme	5,120	4,998	6,962	5,943	23,023
Auctions remaining in current programme	2	2	3	6	13