

Creation of collateral for cash management operations: October 2005

On 19 October 2005, in accordance with paragraph 6.9 of the DMO's Exchequer cash management remit for 2005-06, an additional £7,298 million (nominal) of gilts (excluding gilts maturing within one year, double-dated, undated and rump issues) plus £328 million of Treasury bills, maturing on 16 January 2006, will be created and issued to the DMO for use as collateral in the DMO's cash management operations.

The increase in size of individual gilts ranges from £102 million (nominal) to £370 million (nominal) for conventionals and from £38 million (nominal) to £225 million (nominal) for index-linked gilts. The amounts have been chosen to have a negligible effect on relevant indices.

This additional collateral will be held on the Debt Management Account by the DMO. Specific gilts will not be available to the repo market for a period of 3 months during which these new issues will be used only in Delivery by Value (DBV) transactions. The additional Treasury bills will only be used in DBV transactions.

A table showing the nominal amounts issued and the revised nominal amounts outstanding (rounded to the nearest £1 million) is shown below.

12 October 2005

<u>Treasury bills</u>	<u>Nominal amount created (£mn)</u>	<u>New amount in issue (£mn) excluding inflation uplift</u>	<u>New amount in issue (£mn) including inflation uplift</u>
Treasury Bill Maturing 16/01/2006	328	3,078	
<u>Conventional gilts</u>			
7 1/2 Treasury 2006	261	12,394	
4 1/2 Treasury 2007	254	12,071	
8 1/2 Treasury 2007	103	4,869	
7 1/4 Treasury 2007	246	11,655	
5 Treasury 2008	315	14,928	
4 Treasury 2009	358	16,974	
5 3/4 Treasury 2009	253	12,006	
4 3/4 Treasury 2010	269	12,774	
6 1/4 Treasury 2010	110	5,205	
9 Conversion 2011	119	5,664	
5 Treasury 2012	295	14,009	
8 Treasury 2013	137	6,489	
5 Treasury 2014	289	13,699	
4 3/4 Treasury 2015	288	13,647	
8 Treasury 2015	163	7,744	
8 3/4 Treasury 2017	171	8,136	
4 3/4 Treasury 2020	174	8,243	
8 Treasury 2021	370	17,573	
5 Treasury 2025	341	16,188	
6 Treasury 2028	260	12,340	
4 1/4 Treasury 2032	365	17,326*	
4 1/4 Treasury 2036	330	15,668	
4 3/4 Treasury 2038	315	14,958	
4 1/4 Treasury 2055	102	4,852	
<i>*includes £2.75bn (nominal) to be issued after the auction on 13 October 2005</i>			
<u>Index-linked gilts</u>			
2 1/2 I-L Treasury 2009	96	3,304	7,954
2 1/2 I-L Treasury 2011	135	4,631	11,778
2 1/2 I-L Treasury 2013	199	6,822	14,500
2 1/2 I-L Treasury 2016	225	7,696	17,878
2 1/2 I-L Treasury 2020	185	6,350	14,512
2 1/2 I-L Treasury 2024	179	6,133	11,906
4 1/8 I-L Treasury 2030	136	4,646	6,520
2 I-L Treasury 2035	217	7,439	8,125
1 1/4 I-L Treasury 2055	38	1,288	1,290

