



# QUARTERLY

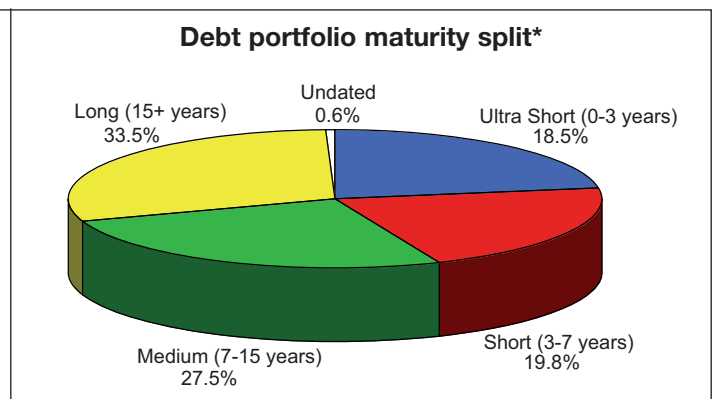
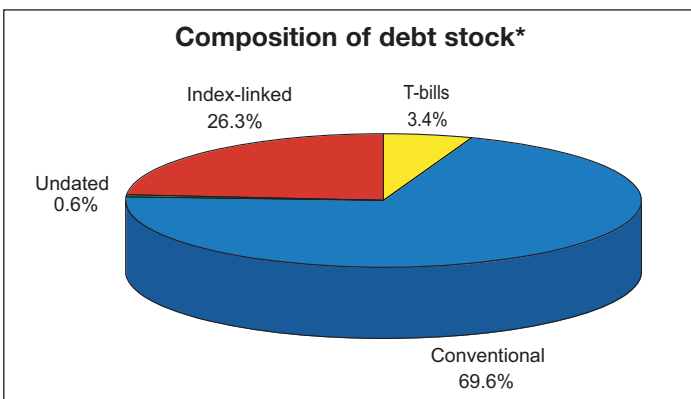
# Review

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

[www.dmo.gov.uk](http://www.dmo.gov.uk)

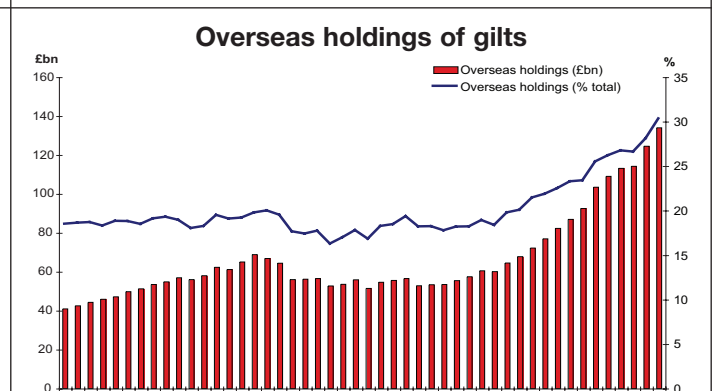
## Details of the debt portfolio at 30 March 2007

Gilt portfolio summary statistics	29 December 2006	30 March 2007
Nominal value of the gilt portfolio (including inflation uplift)	£437.94 bn	£442.86 bn
• Conventional gilts (inc undated gilts)	£322.30 bn	£322.21 bn
• Index-linked gilts	£115.64 bn	£120.65 bn
Market value of the gilt portfolio	£475.11 bn	£469.95 bn
• Conventional gilts (inc undated gilts)	£343.73 bn	£336.34 bn
• Index-linked gilts	£131.38 bn	£133.61 bn
Weighted average market yields:		
• Conventional gilts (inc undated gilts)	4.72%	4.94%
• Index-linked gilts	1.55%	1.72%
Portfolio average maturity:	13.91 years	14.16 years
• Conventional gilts (exc undated gilts)	13.59 years	13.92 years
• Index-linked gilts	14.76 years	14.77 years
Average modified duration:		
• Conventional gilts (inc undated gilts)	8.42 years	8.51 years
• Index-linked gilts	12.09 years	12.10 years
Average coupon on conventional gilts (weighted by market value)	5.49%	5.45%
Average nominal amount outstanding of largest 20 gilts (including inflation uplift)	£14.66 bn	£14.77 bn



### Distribution of gilt holdings at 29 December 2006

(£ millions)	at end Q3 2006	Q4 2006
Insurance Companies and Pension Funds	234,208	239,506
Overseas	124,533	133,971
Other Financial Institutions	54,491	58,150
Households	33,134	18,007
Building Societies	1,104	1,046
Local Authorities and Public Corporations	645	745
Banks**	-3,912	-8,836
<b>TOTAL</b>	<b>444,203</b>	<b>442,589</b>



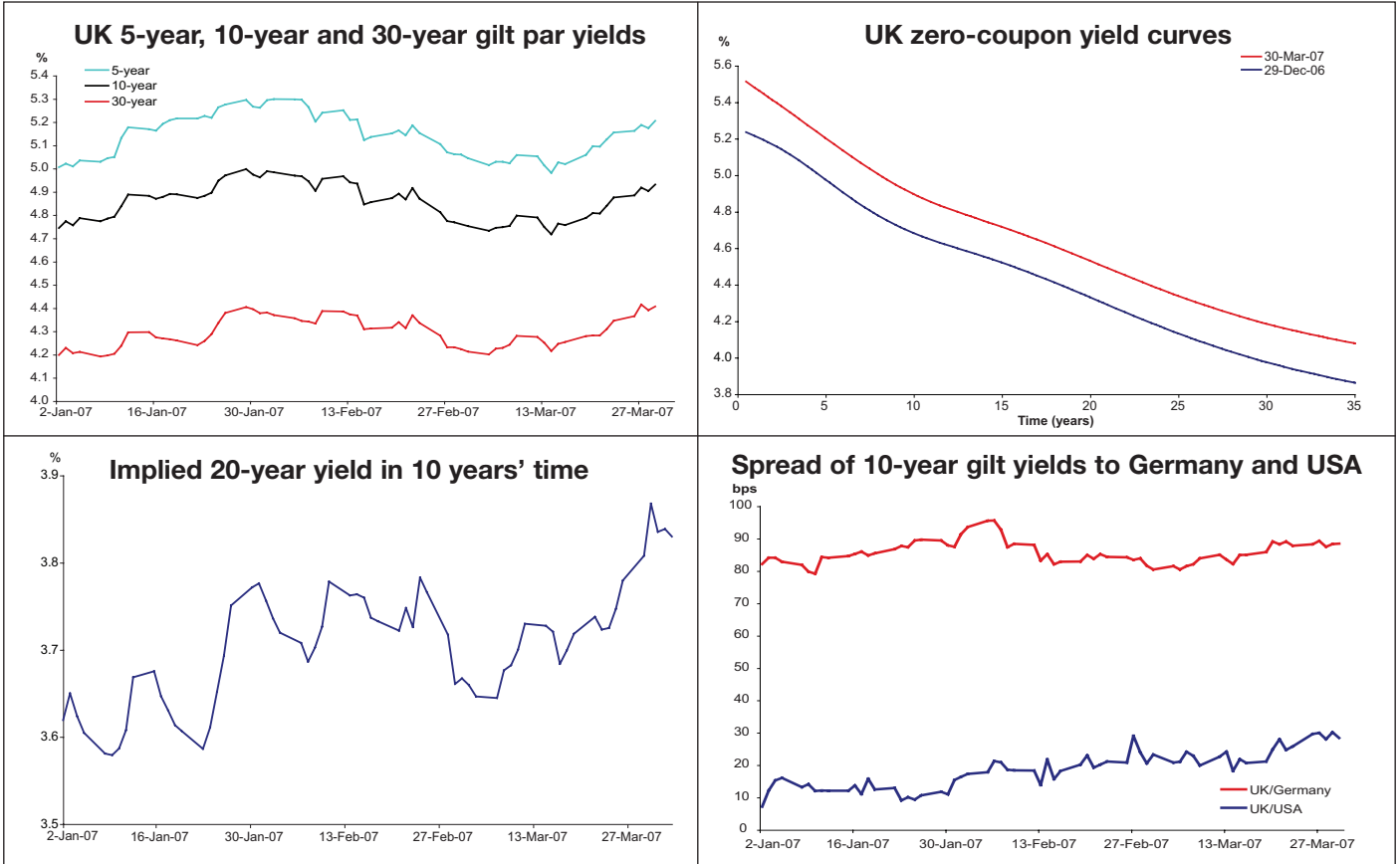
Source: ONS. These figures can be revised retrospectively

Source: ONS

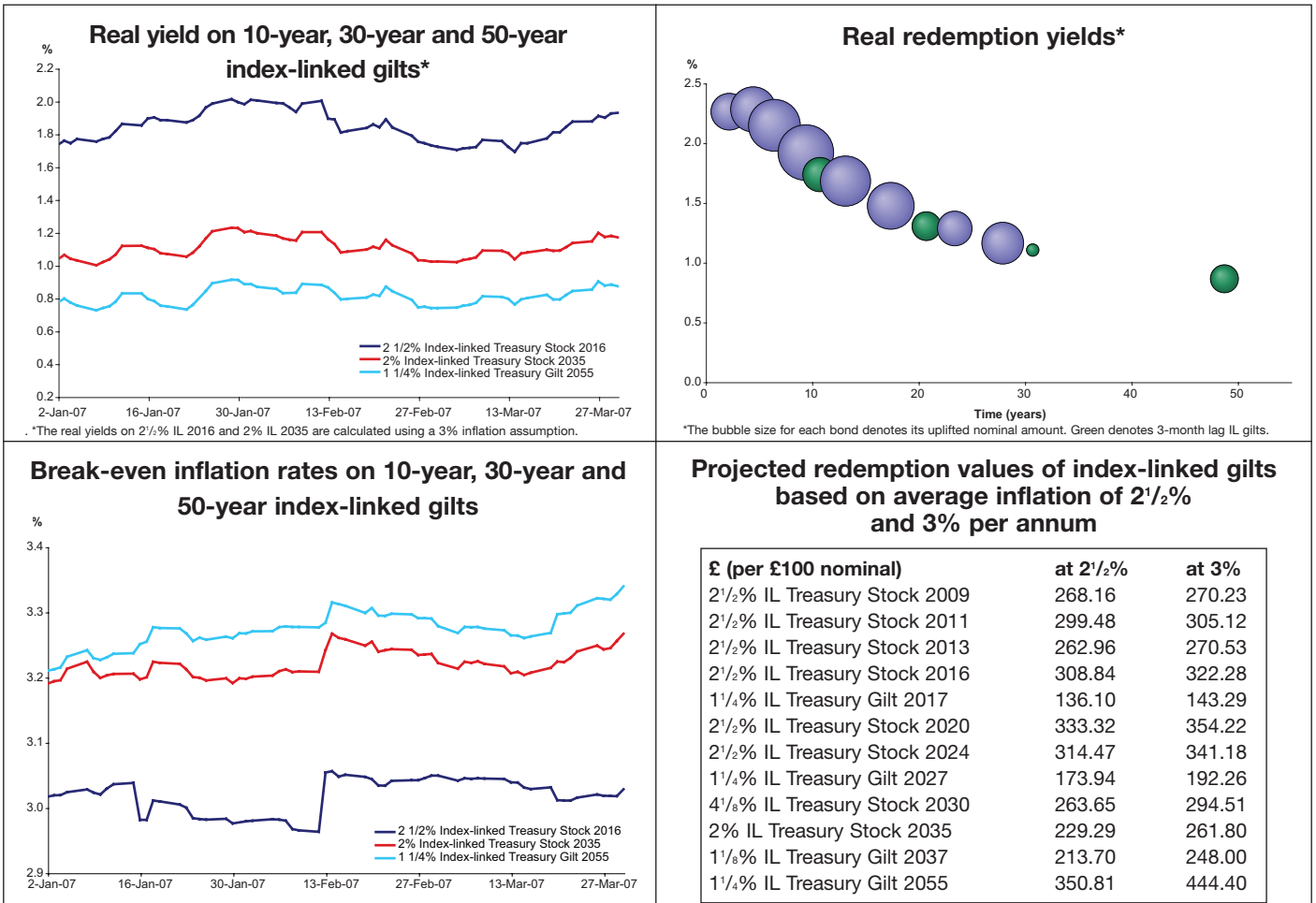
\* Figures in the pie charts may not sum due to rounding.

\*\* Repo position.

## Conventional gilts



## Index-linked gilts



## Gilt market flows (£mn)

	Gross gilt issuance (cash)	Redemptions	Coupons*	Net financing from gilts after redemptions and coupons
Apr-06	4,374	0	-215	4,159
May-06	5,630	0	-294	5,336
Jun-06	6,102	0	-3,924	2,178
Jul-06	4,498	-3,326	-1,159	13
Aug-06	3,419	0	-722	2,697
Sep-06	6,819	-3,516	-3,799	-496
Oct-06	4,232	0	-217	4,015
Nov-06	8,294	-1	-350	7,943
Dec-06	3,175	-11,532	-4,202	-12,559
Jan-07	4,148	0	-1,140	3,008
Feb-07	5,860	0	-730	5,130
Mar-07	5,949	-11,475	-3,848	-9,374
Apr-07	N/A	0	-217	-
May-07	N/A	0	-386	-
Jun-07	N/A	0	-3,981	-

Figures may not sum due to rounding.

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

### Results of gilt auctions

Auction date	Gilt	Issue amount (nominal)	Cover	Yield tail (basis points)	Average accepted price	Yield at average accepted price
09-Jan-07	4¼% 2027	£2,250mn	2.30	0.4	£97.79	4.413%
18-Jan-07	1¼% IL 2017	£1,200mn	2.35	N/A <sup>a</sup>	£95.45 <sup>b</sup>	1.712%
25-Jan-07	1¼% IL 2055	£625mn	2.42	N/A <sup>a</sup>	£116.71 <sup>b</sup>	0.833%
06-Feb-07	4¼% 2046	£2,250mn	1.56	1.1	£101.76	4.159%
20-Feb-07	1½% IL 2037	£1,000mn	1.97	N/A <sup>a</sup>	£101.14 <sup>b</sup>	1.081%
22-Feb-07	4% 2016	£2,750mn	2.22	0.1	£93.21	4.900%
06-Mar-07	4¼% 2027	£2,250mn	1.53	0.5	£97.32	4.449%
15-Mar-07	4¼% 2012	£2,750mn	1.86	0.4	£101.15	4.999%
27-Mar-07	1¼% IL 2027	£950mn	2.53	N/A <sup>a</sup>	£99.13 <sup>b</sup>	1.298%

<sup>a</sup> Index-linked gilts are issued through a uniform price format. <sup>b</sup>This is the real clean price.

## Outturn against the 2006-07 financing remit

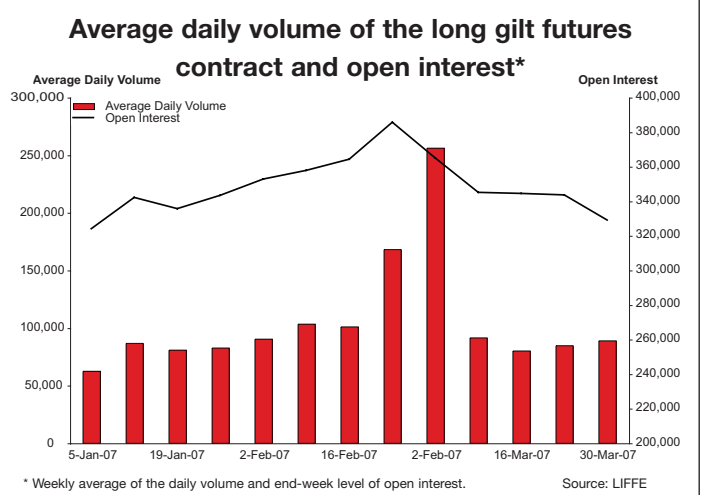
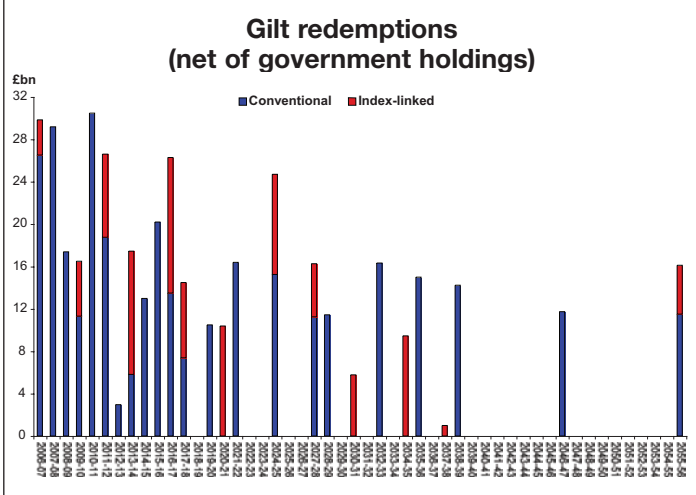
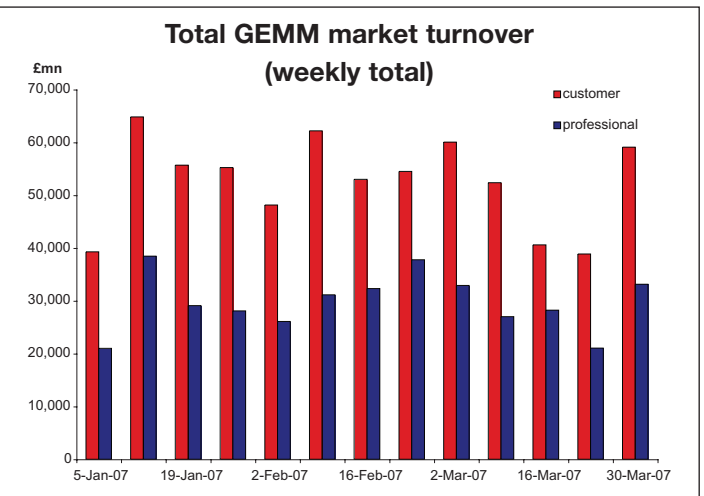
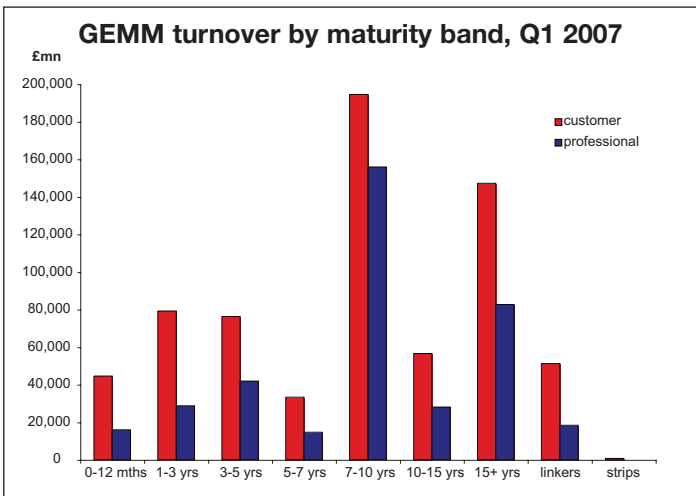
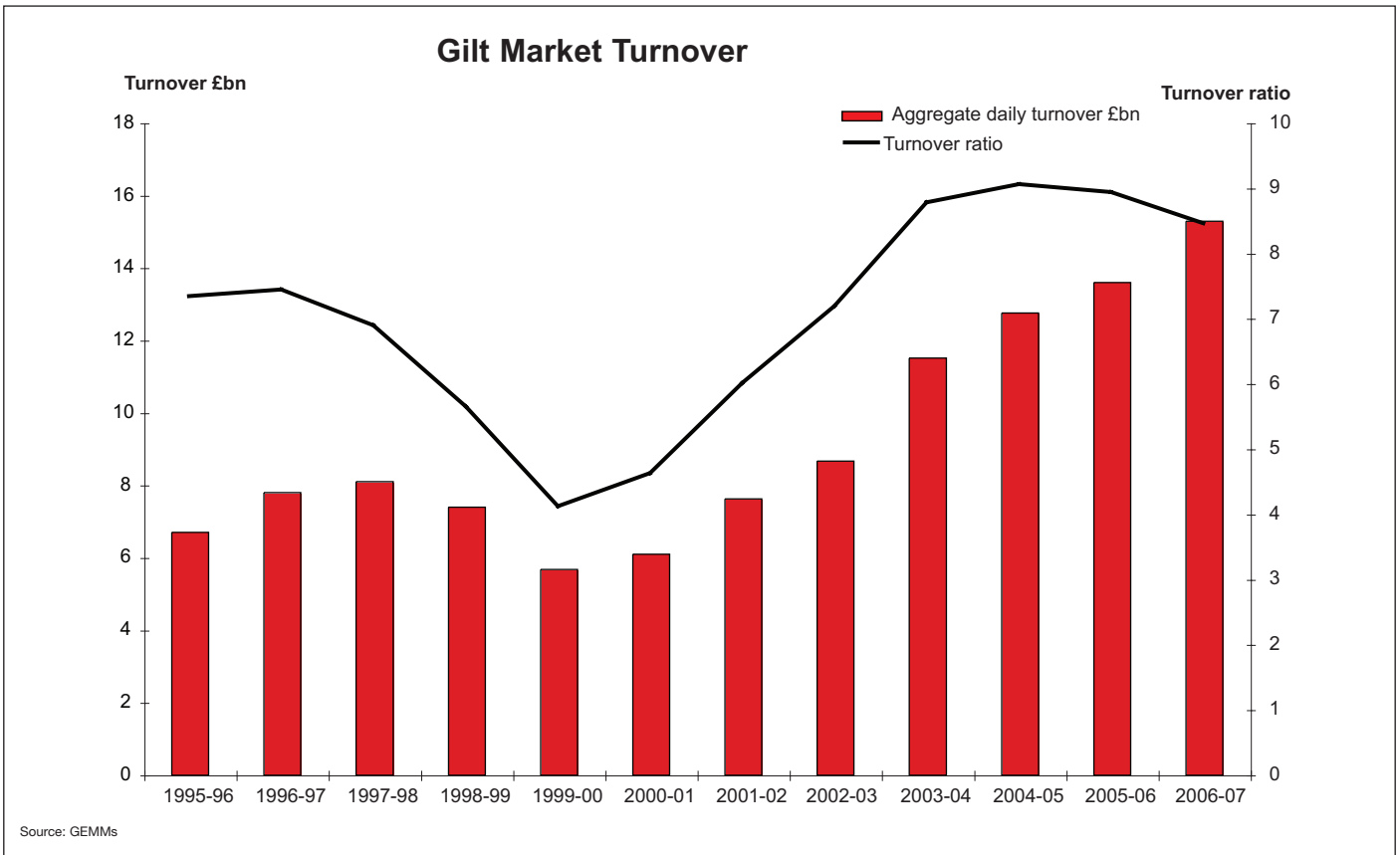
(£ mn cash)	Conventional gilts			Index-linked gilts	Total
	Short (0-7 years)	Medium (7-15 years)	Long (>15 years)		
<b>Outright sales</b>	<b>10,103</b>	<b>9,948</b>	<b>25,226</b>	<b>17,222</b>	<b>62,500</b>
<b>Core gilt programme</b>	10,000	10,000	17,000	16,000	53,000
<b>Allocated in-year</b>	0	0	8,250	1,250	9,500
<b>Final allocated programme</b>	10,000	10,000	25,250	17,250	62,500

Figures may not sum due to rounding

## 2006-07 and 2007-08 financing requirements

	2006-07 (PBR 2006)	2006-07 (Budget 2007)	2006-07 (outturn)	2007-08 (Budget 2007)	2007-08 (April 2007)
<i>Figures may not sum due to rounding</i>					
(£ bn)					
<b>CGNCR forecast</b>	<b>41.2</b>	<b>37.0</b>	<b>37.1</b>	<b>37.6</b>	<b>37.6</b>
Redemptions	29.9	29.9	29.9	29.2	29.2
Restructuring British Nuclear Liabilities	-3.8	-3.5	-3.5	n/a	n/a
Financing for the Official Reserves	0.0	0.0	0.0	0.0	0.0
Debt buy-backs	0.2	0.2	0.2	0.0	0.0
Planned short-term financing adjustment	-3.3	-3.3	-3.3	-4.2	-4.1
<b>Gross financing requirement</b>	<b>64.2</b>	<b>60.3</b>	<b>60.4</b>	<b>62.6</b>	<b>62.7</b>
Less					
National Savings & Investments' contribution	5.2	5.5	5.5	2.8	2.8
<b>Net financing requirement</b>	<b>59.0</b>	<b>54.8</b>	<b>54.9</b>	<b>59.8</b>	<b>59.9</b>
<b>Gilt sales planned during the year</b>	<b>62.5</b>	<b>62.5</b>	<b>62.5</b>	<b>58.4</b>	<b>58.4</b>
Change in planned Treasury bill stock	-3.5	-3.5	-3.5	1.4	1.5
Change in Ways and Means	0.0	0.0	0.0	0.0	0.0
DMO net cash position at end of financial year	0.5	4.7	4.6	0.5	0.5

# Details of market activity



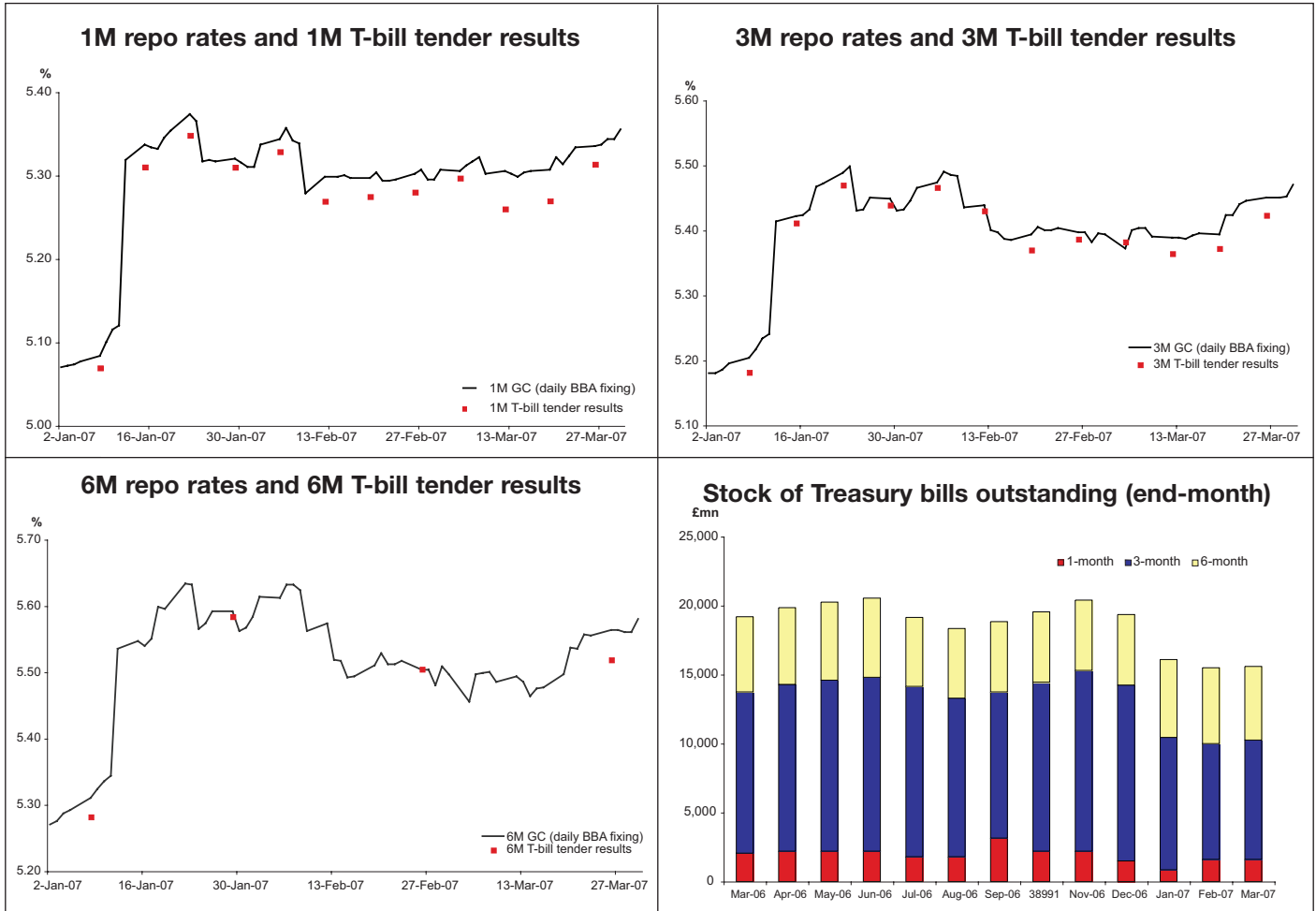
## Gilts in issue at 30 March 2007 (£mn nominal)

Conventional gilts	Redemption date	First Issue date	Amount in issue	Amount held in stripped form	DMO/CRND* Holdings
8½% Treasury Loan 2007	16-Jul-07	16-Jul-1986	4,869	-	600
7¼% Treasury Stock 2007	07-Dec-07	29-Jan-1997	11,655	196	795
5% Treasury Stock 2008	07-Mar-08	26-Jun-2002	14,928	16	865
4% Treasury Stock 2009	07-Mar-09	14-May-2003	16,974	9	746
5¾% Treasury Stock 2009	07-Dec-09	30-Jul-1998	12,006	75	920
4¾% Treasury Stock 2010	07-Jun-10	19-Nov-2004	12,774	22	531
6¼% Treasury Stock 2010	25-Nov-10	27-Jan-1994	5,205	-	722
4¼% Treasury Gilt 2011	07-Mar-11	09-Nov-2005	13,750	1	5
9% Conversion Loan 2011	12-Jul-11	12-Jul-1987	5,664	-	473
5% Treasury Stock 2012	07-Mar-12	25-May-2001	14,009	105	897
5¼% Treasury Gilt 2012	07-Jun-12	16-Mar-2007	2,750	-	1
8% Treasury Stock 2013	27-Sep-13	01-Apr-1993	6,489	-	694
5% Treasury Stock 2014	07-Sep-14	25-Jul-2002	13,699	7	706
4¾% Treasury Stock 2015	07-Sep-15	26-Sep-2003	13,647	18	655
8% Treasury Stock 2015	07-Dec-15	26-Jan-1995	7,744	123	539
4% Treasury Gilt 2016	07-Sep-16	02-Mar-2006	13,500	0	8
8¾% Treasury Stock 2017	25-Aug-17	30-Apr-1992	8,136	-	765
4¾% Treasury Stock 2020	07-Mar-20	29-Mar-2005	10,743	68	248
8% Treasury Stock 2021	07-Jun-21	29-Feb-1996	17,573	424	1,178
5% Treasury Stock 2025	07-Mar-25	27-Sep-2001	16,188	152	945
4¼% Treasury Gilt 2027	07-Dec-27	06-Sep-2006	11,250	0	2
6% Treasury Stock 2028	07-Dec-28	29-Jan-1998	12,340	259	893
4¼% Treasury Stock 2032	07-Jun-32	25-May-2000	17,326	385	998
4¼% Treasury Stock 2036	07-Mar-36	27-Feb-2003	15,668	375	672
4¾% Treasury Stock 2038	07-Dec-38	23-Apr-2004	14,958	115	715
4¼% Treasury Gilt 2046	07-Dec-46	12-May-2006	11,750	10	2
4¼% Treasury Gilt 2055	07-Dec-55	27-May-2005	11,602	0	104
3½% War Loan	Undated	01-Dec-1932	1,939	-	32
Index-linked gilts	Redemption date	First issue date	Amount in issue	Nominal including inflation uplift	DMO/CRND* Holdings
2½% I-L Treasury Stock 2009	20-May-09	19-Oct-1982	3,304	8,327	280
2½% I-L Treasury Stock 2011	23-Aug-11	28-Jan-1982	4,631	12,331	359
2½% I-L Treasury Stock 2013	16-Aug-13	21-Feb-1985	7,347	16,349	530
2½% I-L Treasury Stock 2016	26-Jul-16	19-Jan-1983	7,696	18,717	636
1¼% I-L Treasury Gilt 2017	22-Nov-17	08-Feb-2006	7,000	7,286	3
2½% I-L Treasury Stock 2020	16-Apr-20	12-Oct-1983	6,350	15,193	451
2½% I-L Treasury Stock 2024	17-Jul-24	30-Dec-1986	6,583	13,376	494
1¼% I-L Treasury Gilt 2027	22-Nov-27	26-Apr-2006	4,950	5,143	1
4⅞% I-L Treasury Stock 2030	22-Jul-30	12-Jun-1992	5,021	7,377	347
2% I-L Treasury Stock 2035	26-Jan-35	11-Jul-2002	9,389	10,736	466
1⅞% I-L Treasury Gilt 2037	22-Nov-37	21-Feb-2007	1,000	997	0
1¼% I-L Treasury Gilt 2055	22-Nov-55	23-Sep-2005	4,588	4,814	39
Rump gilts	Redemption date	First issue date	Amount in issue		DMO/CRND* Holdings
5½% Treasury Stock 2008-2012	10-Sep-08	05-Oct-1960	746		2
9% Treasury Loan 2008	13-Oct-08	11-Feb-1987	410		0
8% Treasury Stock 2009	25-Sep-09	23-Apr-1986	235		0
7¾% Treasury Loan 2012-2015	26-Jan-12	26-Jan-1972	452		1
9% Treasury Stock 2012	06-Aug-12	07-Feb-1992	223		2
12% Exchequer Stock 2013-2017	12-Dec-13	18-Jun-1978	18		0
2½% Treasury Stock	Undated	28-Oct-1946	449		0
4% Consolidated Loan	Undated	16-Mar-1932	284		0
2½% Consolidated Stock	Undated	05-Apr-1888	195		1
3% Treasury Stock	Undated	01-Mar-1946	44		0
3½% Conversion Loan	Undated	01-Apr-1921	18		6
2½% Annuities	Undated	13-Jun-1853	1		0
2¾% Annuities	Undated	17-Oct-1884	1		0

*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, but excludes holdings by local authorities, public corporations and the Bank of England.*

## Money market operations



## Treasury bill tender results Q1 2007

Tender date	Tender amount (£mn)	Average yield (%)	Average price (£)	Cover	Yield tail (bp)
<b>1 month T-bills</b>					
05-Jan-2007	400	5.0693	99.6126	6.81	0
12-Jan-2007	150	5.3102	99.5943	7.38	1
19-Jan-2007	150	5.3482	99.5914	8.17	0
26-Jan-2007	150	5.3099	99.5943	7.55	0
02-Feb-2007	400	5.3287	99.5929	6.54	0
09-Feb-2007	400	5.2690	99.5974	5.76	0
16-Feb-2007	400	5.2746	99.5970	4.35	1
23-Feb-2007	400	5.2800	99.5966	4.74	0
02-Mar-2007	400	5.2968	99.5953	5.55	0
09-Mar-2007	400	5.2600	99.5838	7.64	0
16-Mar-2007	400	5.2697	99.5974	5.18	0
23-Mar-2007	400	5.3136	99.5940	7.08	1
30-Mar-2007	500	5.3392	99.5921	6.05	0
<b>3 month T-bills</b>					
05-Jan-2007	650	5.1816	98.7108	7.69	1
12-Jan-2007	650	5.4113	98.6688	6.16	1
19-Jan-2007	650	5.4695	98.6547	6.80	0
26-Jan-2007	650	5.4390	98.6621	7.35	1
02-Feb-2007	650	5.4659	98.6410	7.89	0
09-Feb-2007	650	5.4299	98.6643	7.99	0
16-Feb-2007	650	5.3698	98.6789	6.87	1
23-Feb-2007	650	5.3864	98.6605	6.61	0
02-Mar-2007	650	5.3823	98.6759	5.68	1
09-Mar-2007	650	5.3642	98.6803	7.71	2
16-Mar-2007	750	5.3723	98.6783	6.77	0
23-Mar-2007	750	5.4232	98.6660	8.98	1
30-Mar-2007	750	5.4539	98.6585	6.78	1
<b>6 month T-bills</b>					
05-Jan-07	700	5.2820	97.4338	7.80	1
26-Jan-07	700	5.5838	97.2912	7.50	1
23-Feb-07	700	5.5047	97.3142	6.73	1
23-Mar-07	700	5.5187	97.3219	9.51	1

## Calendar for Q2 2007

Treasury bill tenders usually take place every Friday

April	
3	Auction of 4¼% Treasury Gilt 2046. Announcement of the size of the auction on 12 April 2007 of 1¼% Index-linked Treasury Gilt 2017.
12	Auction of 1¼% Index-linked Treasury Gilt 2017.
17	Publication of the March RPI by ONS. Dividend fixing for 2½% Index-linked Treasury Stock 2009, 1¼% Index-linked Treasury Gilt 2017, 1¼% Index-linked Treasury Gilt 2027, 1½% Index-linked Treasury Gilt 2037 and 1¼% Index-linked Treasury Gilt 2055. Publication of the 2 May - 1 June 2007 index ratios for index-linked gilts with a 3-month indexation lag. Announcement of the size of the auction on 24 April 2007 of 1½% Index-linked Treasury Gilt 2037.
24	Auction of 1½% Index-linked Treasury Gilt 2037. Announcement of the size of the auction on 3 May 2007 of 4¼% Treasury Gilt 2027.

May	
3	Auction of 4¼% Treasury Gilt 2027.
15	Publication of the April RPI by ONS. Publication of the 2 June – 1 July 2007 index ratios for index-linked gilts with a 3-month indexation lag. Announcement of the size of the auctions on 22 May 2007 of 1¼% Index-linked Treasury Gilt 2027 and on 24 May 2007 of a new conventional gilt maturing on 7 March 2018. The coupon on the new gilt will also be announced on this date.
22	Auction of 1¼% Index-linked Treasury Gilt 2027.
24	Auction of a new conventional gilt maturing on 7 March 2018.
29	Announcement of the size of the auction on 5 June 2007 of a new conventional gilt maturing on 7 December 2042. The coupon on the new gilt will also be announced on this date. DMO quarterly consultation meetings with end-investors (3.30pm) and GEMMs (5.00pm).
30	Publication at 9am of the minutes of the consultation meetings on 29 May 2007.
31	Publication at 3.30pm of the gilt auction calendar for July-September 2007.

June	
5	Auction of a new conventional gilt maturing on 7 December 2042.
12	Publication of the May RPI by ONS. Dividend fixings for 2½% Index-linked Treasury Stock 2016, 2½% Index-linked Treasury Stock 2024, 4½% Index-linked Treasury Stock 2030 and 2% Index-linked Treasury Stock 2035. Publication of the 2 July – 1 August 2007 index ratios for index-linked gilts with a 3-month indexation lag. Announcement of the size of the auction on 21 June 2007 of 5¼% Treasury Gilt 2012.
19	Announcement of the size of the auction on 26 June 2007 of 1½% Index-linked Treasury Gilt 2037.
21	Auction of 5¼% Treasury Gilt 2012.
26	Auction of 1½% Index-linked Treasury Gilt 2037.
29	Publication of the Treasury bill calendar for July-September 2007.

### DMO wire service pages

Information	Reuters	Bridge	Moneyline Telerate	Topic	Bloomberg
<b>Index</b>	DMO/INDEX	K:2366	21290	44799	DMO<GO>
<b>Announcements</b>	DMO/GILTS1 to 9	K:3327-K:3335	22550 to 22556	44700 to 44712	DMO1<GO>
<b>Shop window general information</b>	DMO/GILTS10	K:3336	6517	44717	DMO3<GO>
<b>Shop window 1</b>	DMO/GILTS11	K:3337	6518	44718	DMO3<GO>
<b>Benchmark prices</b>	DMO/BENCH1	K:3338	22557	44720 to 44721	DMO2<GO>
<b>GEMMA ref prices (Conventionals)</b>	GEMMA01 to 04	K:3358-K:3361	47216 to 47219	44800 to 44802	DMO5<GO>
<b>GEMMA ref prices (I-L)</b>	GEMMA07 to 08	K:3365	47223	44805	DMO5<GO>
<b>GEMMA ref prices (Strips)</b>	GEMMA13 to 22	K:3370-K:3379	21291 to 21300	44850 to 44864	DMO6<GO>
<b>Cash announcements</b>	DMO/CASH01	K:2367	15700 to 15709	44660 to 44669	DMO8<GO>
<b>T-bill tender information</b>	DMO/CASH11	K:2377	15710 to 15711	44670 to 44671	DMO9<GO>
<b>Ad-hoc tender information</b>	DMO/CASH16	K:2382	15715 to 15716	44675 to 44676	DMO10<GO>
<b>T-bill reference prices</b>	DMO/TBILLS01	K:2387	15720 to 15724	44900 to 44909	DMO11<GO>

### Contacts

Name	Position	Telephone No.	E-mail
Robert Stheeman	Chief Executive	0845 357 6533	robert.stheeman@dmo.gsi.gov.uk
Jo Whelan	Deputy Chief Executive	0845 357 6531	jo.whelan@dmo.gsi.gov.uk
Jim Juffs	Chief Operating Officer	0845 357 6531	jim.juffs@dmo.gsi.gov.uk
Martin Duffell	Head of Gilt Dealing	0845 357 6517	martin.duffell@dmo.gsi.gov.uk
Nick Fisher	Head of Cash Dealing	0845 357 6518	nick.fisher@dmo.gsi.gov.uk
Myrvin Anthony	Head of Economic Research	0845 357 6581	myrvin.anthony@dmo.gsi.gov.uk
Arnaud Marès	Head of Policy	0845 357 6615	arnaud.mares@dmo.gsi.gov.uk
Joanne Perez	Head of Markets	0845 357 6539	joanne.perez@dmo.gsi.gov.uk
Steve Whiting	Press Officer	0845 357 6532	steve.whiting@dmo.gsi.gov.uk
Sarah Ellis	Assistant Press Officer	0845 357 6525	sarah.ellis@dmo.gsi.gov.uk
Mark Deacon	Senior Quantitative Analyst	0845 357 6516	mark.deacon@dmo.gsi.gov.uk
Gurminder Bhachu	Senior Policy Advisor	0845 357 6512	gurminder.bhachu@dmo.gsi.gov.uk
James Knight	Financial Economist	0845 357 6571	james.knight@dmo.gsi.gov.uk
Catherine O'Shea	Data Analyst	0845 357 6585	catherine.o'shea@dmo.gsi.gov.uk

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