

AGENDA FOR THE CONSULTATION MEETING WITH END-INVESTORS (3.30PM) AND GEMMs (5.00PM) TO DISCUSS GILT ISSUANCE IN JULY-SEPTEMBER 2010, TO BE HELD AT 3.30pm ON MONDAY 24 MAY 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 gilt issuance in July-September 2010. 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 sarah.ellis@dmo.gsi.gov.uk (020 7862 6525) by close Friday 21 May 2010 if you would like to attend.

1. **Review of gilt market operations in April-June 2010 quarter to date.**
2. **Further feedback is requested on the choice of long-dated conventional gilt for the syndicated offering planned for the second half of June and the timing of such an offer.**
3. **Choice of conventional and index-linked gilts for auctions scheduled in July-September 2010. The DMO also anticipates holding up to two syndicated offerings in Q2 2010-11 and is seeking views on the timing and type of gilts suitable for syndication.**

Table 1 below lists the 13 scheduled auction dates and weeks in which three gilt mini-tenders could potentially be held. For conventional gilts, a suggested schedule for the maturity of issuance is provided in Table 2 to facilitate the discussion.

**Table 1:
July-September
Issuance Calendar**

01-Jul	Index-linked
w/c 5-Jul	Tender
06-Jul	Conventional
14-Jul	Conventional
15-Jul	Index-linked
20-Jul	Conventional
w/c 2-Aug	Tender
03-Aug	Conventional
10-Aug	Conventional
12-Aug	Conventional
19-Aug	Index-linked
w/c 31-Aug	Tender
02-Sep	Conventional
07-Sep	Index-linked
15-Sep	Conventional
16-Sep	Conventional

**Table 2:
Suggested Maturity Split
(Conventional Auctions)**

01-Jul	IL
w/c 5-Jul	Tender
06-Jul	Long
14-Jul	Medium
15-Jul	IL
20-Jul	Short
w/c 2-Aug	Tender
03-Aug	Short
10-Aug	Long
12-Aug	Medium
19-Aug	IL
w/c 31-Aug	Tender
02-Sep	Short
07-Sep	IL
15-Sep	Long
16-Sep	Medium

The DMO's ongoing policy is to build up gilts to benchmark size, subject to considering the impact of issuance on the redemption profile. The suggested maturity schedule of conventional issuance in Table 2 reflects the DMO's aim to provide regularity in issuance across each maturity sector.

Conventional gilt issuance

The DMO is planning on the basis that there will be three short-dated, three medium-dated and three long-dated auctions in July-September 2010.

- Short-dated (three auctions): The DMO anticipates re-opening bonds in the 5-year maturity in Q2 2010-11 including the current 5-year benchmark 2¾% 2015. The DMO welcomes views on the identity and timing of other short-dated candidates for issue or re-opening, taking into account implications for the near-term redemption profile.
- Medium-dated (three auctions): The DMO expects to re-open the new 10-year benchmark (September 2020 maturity) at least twice within the quarter, and welcomes views on the timing of these issues. The DMO welcomes views on any other medium-dated candidates for re-opening.
- Long-dated (three auctions): The DMO is minded to re-open 4½% 2034 again in Q2 and welcomes views on other candidates for long-dated issuance, while also taking into account the potential for long-dated issuance by syndication in June and during the July-September quarter.

Index-linked gilt issuance

There are four index-linked auctions scheduled in July-September 2010. The DMO welcomes views on candidates for, and sequencing of, index-linked gilt auctions in the quarter, while also taking into account the potential for index-linked gilt issuance by syndication during the quarter.

4. **Budget on 22 June. The DMO will seek views on handling any revisions to the financing arithmetic to be published by HM Treasury alongside the Budget.**
5. **Any other business**

The next consultation meetings to discuss gilt issuance in October-December 2010 will be held at 3.30pm (investors) and 5.00pm (GEMMs) on Monday 23 August.