



Quarterly

REVIEW

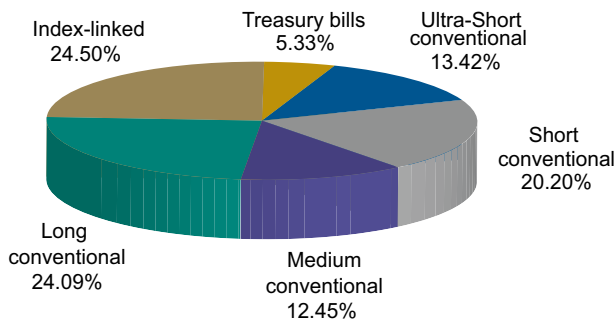
Details of the Gilt and Treasury bill portfolio at 31 December 2015

Portfolio summary statistics	30 September 2015		31 December 2015	
	Gross	Net*	Gross	Net*
Nominal value of the gilt and Treasury bill portfolio - including inflation uplift	£1,521.63bn	£1,401.07bn	£1,553.33bn	£1,435.96bn
Nominal value of the gilt portfolio - including inflation uplift	£1,448.02bn	£1,327.46bn	£1,470.56bn	£1,353.20bn
• Conventional gilts	£1,075.74bn	£965.96bn	£1,089.99bn	£983.50bn
• Index-linked gilts	£372.28bn	£361.50bn	£380.57bn	£369.69bn
Market value of the gilt and Treasury bill portfolio	£1,877.86bn	£1,723.17bn	£1,872.18bn	£1,724.39bn
Market value of the gilt portfolio	£1,804.32bn	£1,649.64bn	£1,789.49bn	£1,641.70bn
• Conventional gilts	£1,295.04bn	£1,154.36bn	£1,287.92bn	£1,153.88bn
• Index-linked gilts	£509.28bn	£495.28bn	£501.57bn	£487.82bn
Market value weighted average portfolio yield:				
• Conventional gilts	1.63%	1.62%	1.75%	1.74%
• Index-linked gilts	-0.91%	-0.90%	-0.70%	-0.70%
Market value weighted average portfolio maturity - inc. TBills:	16.17 years	16.29 years	15.84 years	15.93 years
Market value weighted average portfolio maturity - exc. TBills:	16.82 years	17.01 years	16.56 years	16.73 years
• Conventional gilts	14.74 years	14.68 years	14.54 years	14.46 years
• Index-linked gilts	22.12 years	22.45 years	21.75 years	22.08 years
Market value weighted average portfolio modified duration:				
• Conventional gilts	10.08 years	10.04 years	9.69 years	9.63 years
• Index-linked gilts	20.78 years	21.10 years	21.47 years	21.70 years

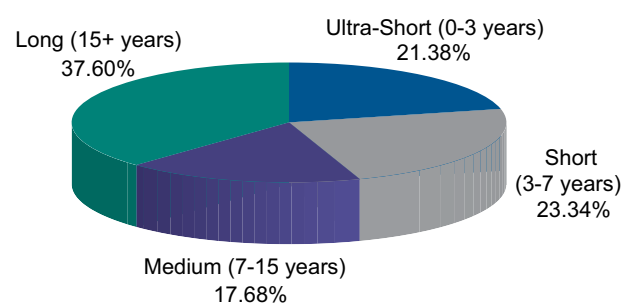
These portfolio statistics exclude the £200m UK Sovereign Sukuk issue which was launched on 25 June 2014.

*The 'Net' holdings category excludes gilts held by the DMO.

Composition of gilt and Treasury bill portfolio**



Gilt and Treasury bill portfolio maturity split**

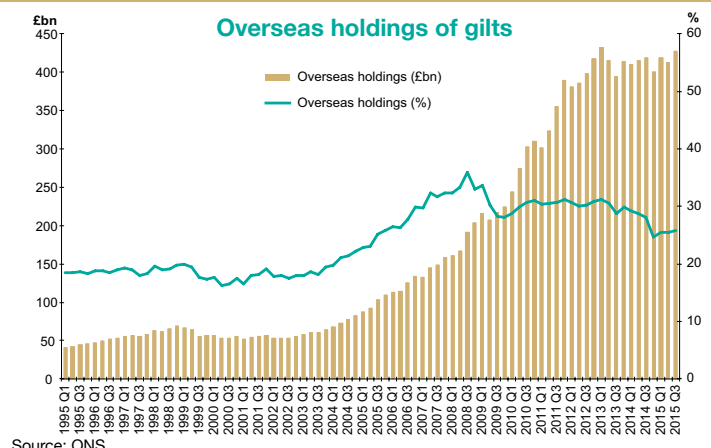


Distribution of gilt holdings on 30 September 2015 (based on market values)

(£millions) at end	Q2 2015	Q3 2015
Insurance companies and pension funds	436,716	447,922
Overseas	412,506	426,918
Bank of England (Asset Purchase Facility)	391,365	400,501
Monetary Financial Institutions	143,064	150,519
Other financial institutions and other	160,742	149,784
Households	70,709	72,523
Local authorities and public corporations	1,500	1,088
TOTAL	1,616,602	1,649,255

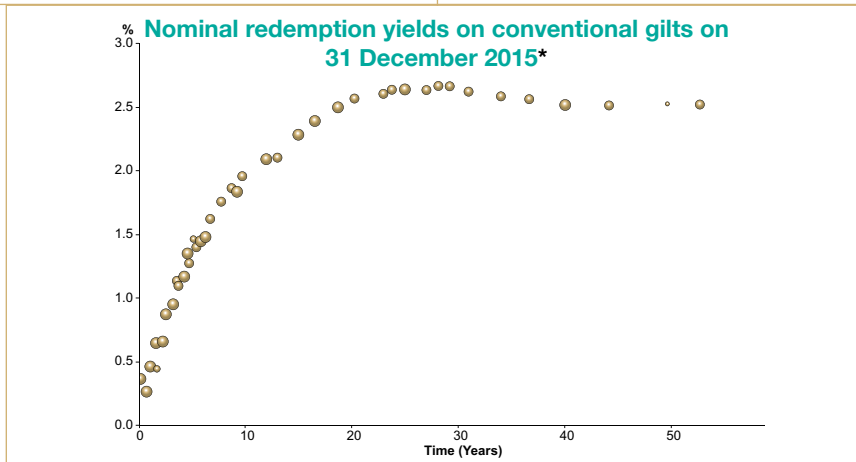
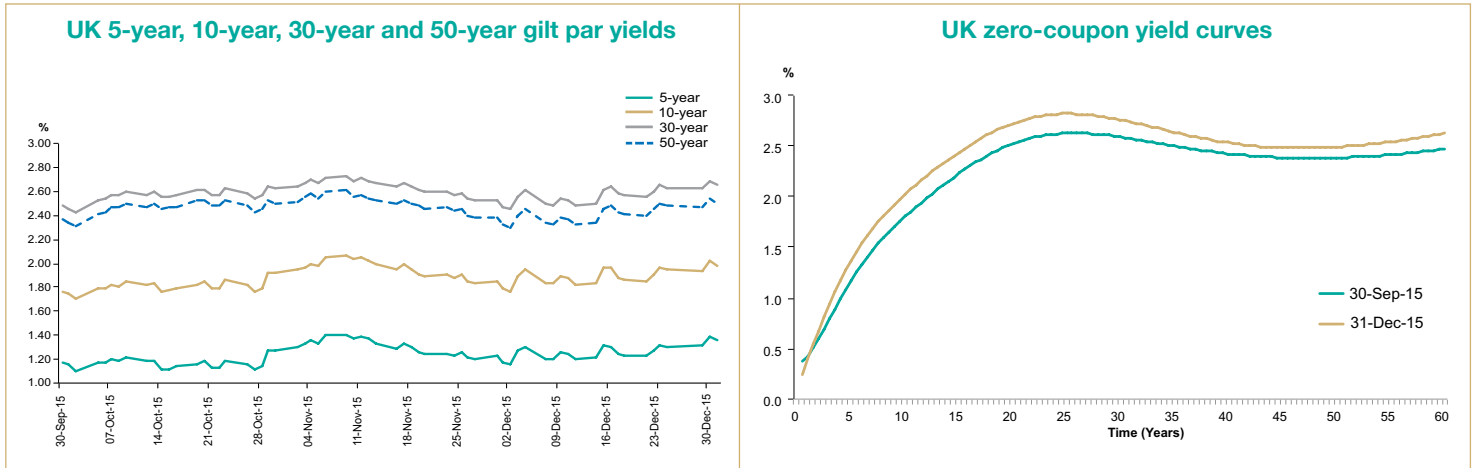
Source: ONS. These figures can be revised retrospectively.
**Monetary Financial Institutions replaced the 'Banks and 'Building societies' categories in January 2011, and excludes BoE holdings.

Overseas holdings of gilts



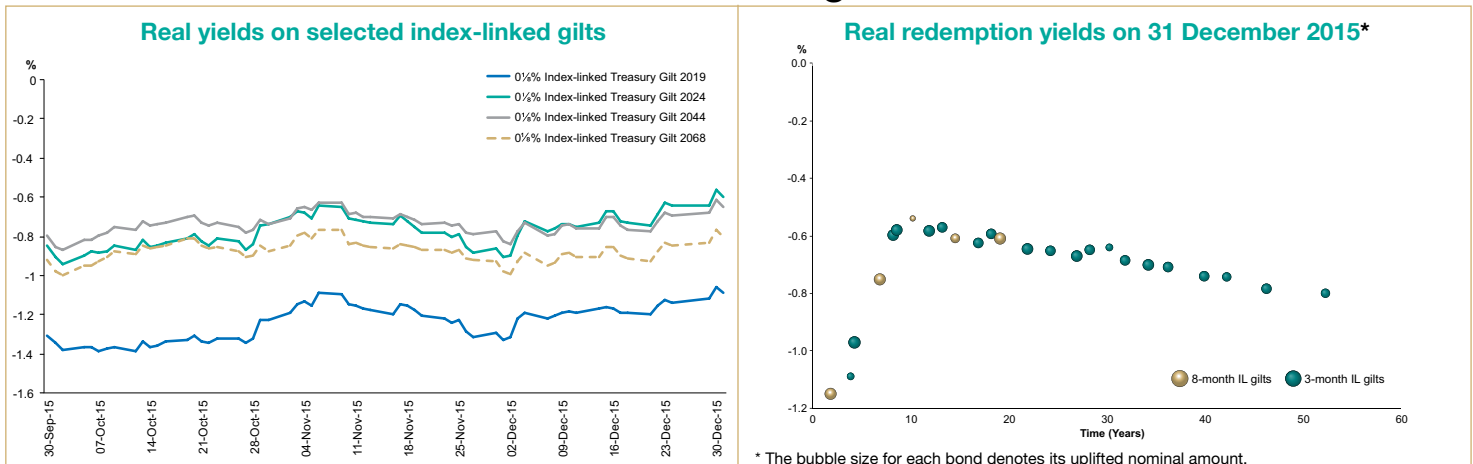
** These are based on uplifted nominal values. Figures in the pie charts may not sum due to rounding.

Conventional gilts

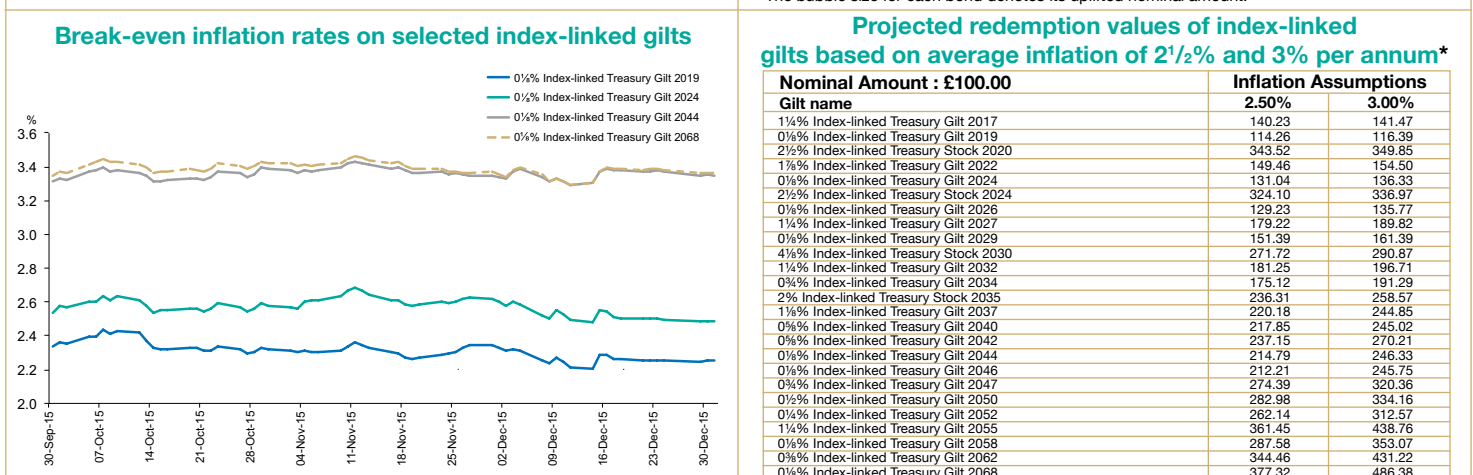


* The bubble size for each bond denotes its nominal amount.

Index-linked gilts



* The bubble size for each bond denotes its uplifted nominal amount.



* Using actual value for the November 2015 RPI and projected values for future months.

Gilt market flows* (£mn)

	Gross gilt issuance (cash)	Redemptions	Coupons	Net financing from gilts after redemptions and coupons
Jul-14	16,897	-	-3,629	13,268
Aug-14	9,703	-	-480	9,223
Sep-14	8,768	-34,540	-10,743	-36,515
Oct-14	16,436	-	-257	16,179
Nov-14	6,458	-	-639	5,819
Dec-14	7,285	-	-7,172	113
Jan-15	15,923	-27,785	-4,149	-16,011
Feb-15	3,590	-218	-487	2,885
Mar-15	10,476	-1,908	-10,062	-1,494
Apr-15	11,810	-11	-259	11,540
May-15	7,592	-21	-777	6,794
Jun-15	11,795	-	-7,160	4,635
Jul-15	12,892	-382	-4,042	8,469
Aug-15	6,203	-	-482	5,720
Sep-15	13,755	-31,693	-10,290	-28,228
Oct-15	16,097	-	-254	15,842
Nov-15	6,406	-	-785	5,621
Dec-15	11,828	-7,205	-7,217	-2,595
Jan-16	10,573	-30,907	-4,361	-24,695
Feb-16	-	-	-482	-
Mar-16	-	-	-9,573	-

*Figures may not sum due to rounding. Future coupon flow numbers are for the stock of debt outstanding at end-quarter. Redemption figures are net of official holdings.

2014-15 and 2015-16 financing requirements

(£bn)	2014-15 (outturn)	2015-16 [†] March Budget	2015-16 Autumn Statement
CGNCR exc. NRAM, B&B* and Network Rail**	92.3	85.6	75.5
Gilt Redemptions	64.5	70.2	70.2
Financing for the Official Reserves	12.7	5.3	5.3
Planned short-term financing adjustment	-30.2	-13.1	-13.1
Gross financing requirement	139.2	148.1	137.9
Less			
Contribution from National Savings & Investments	18.2	10.0	9.3
Sukuk	0.2	0.0	0.0
Renminbi	0.3	0.0	0.0
Other financing items***	-1.4	0.2	0.2
Net financing requirement	121.8	137.9	128.4
Gilt sales planned during the year	126.4	130.9	127.4
Change in planned Treasury bill stock	8.5	7.0	1.0
Change in Ways and Means	0.0	0.0	0.0
DMO net cash position at end of financial year	13.6	0.5	0.5

Figures may not sum due to rounding.

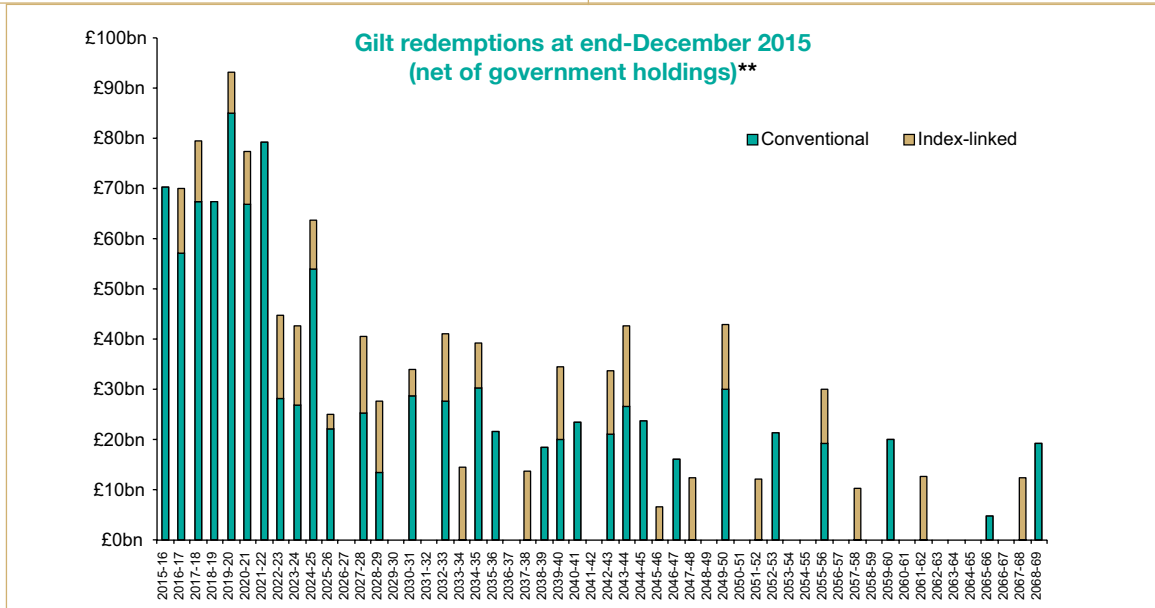
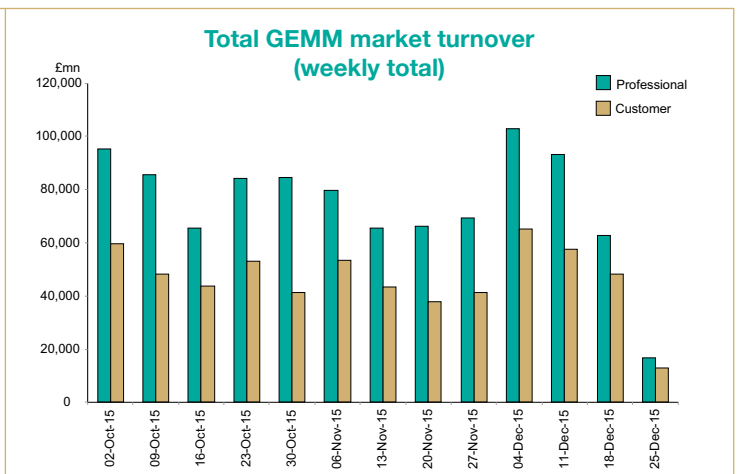
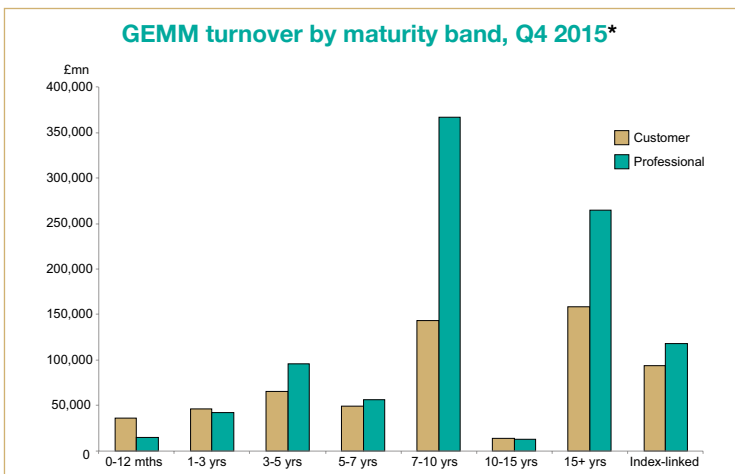
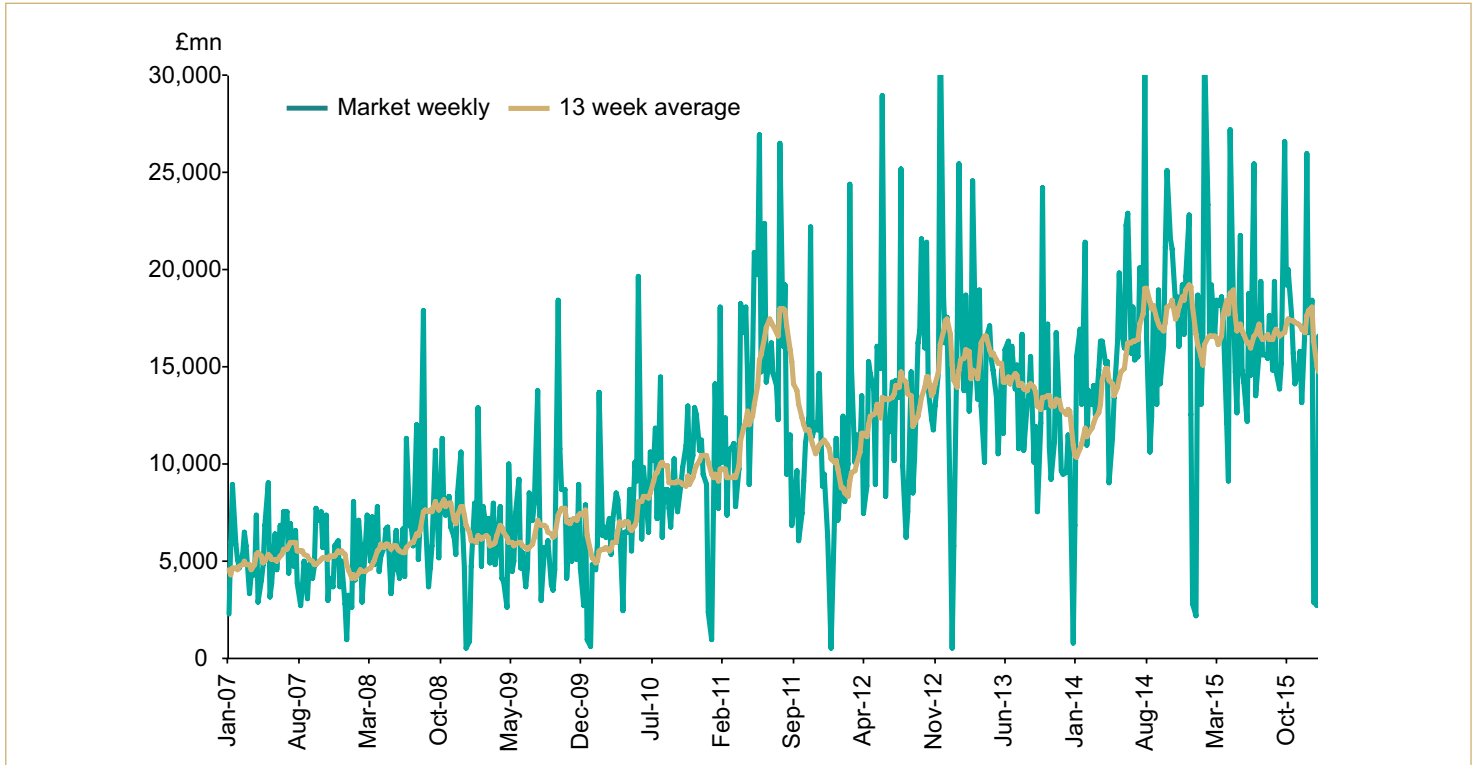
[†] as updated on 23 April 2015.

* Northern Rock Asset Management (NRAM) and Bradford and Bingley (B&B).

** The Exchequer's requirement for financing £6.5bn of lending to Network Rail was included in the CGNCR in April 2014.

*** Includes non-governmental deposits, coinage and Certificates of Tax Deposit. Prior to publication of the end-year outturn in April each year, this financing item will only comprise estimated revenue from coinage.

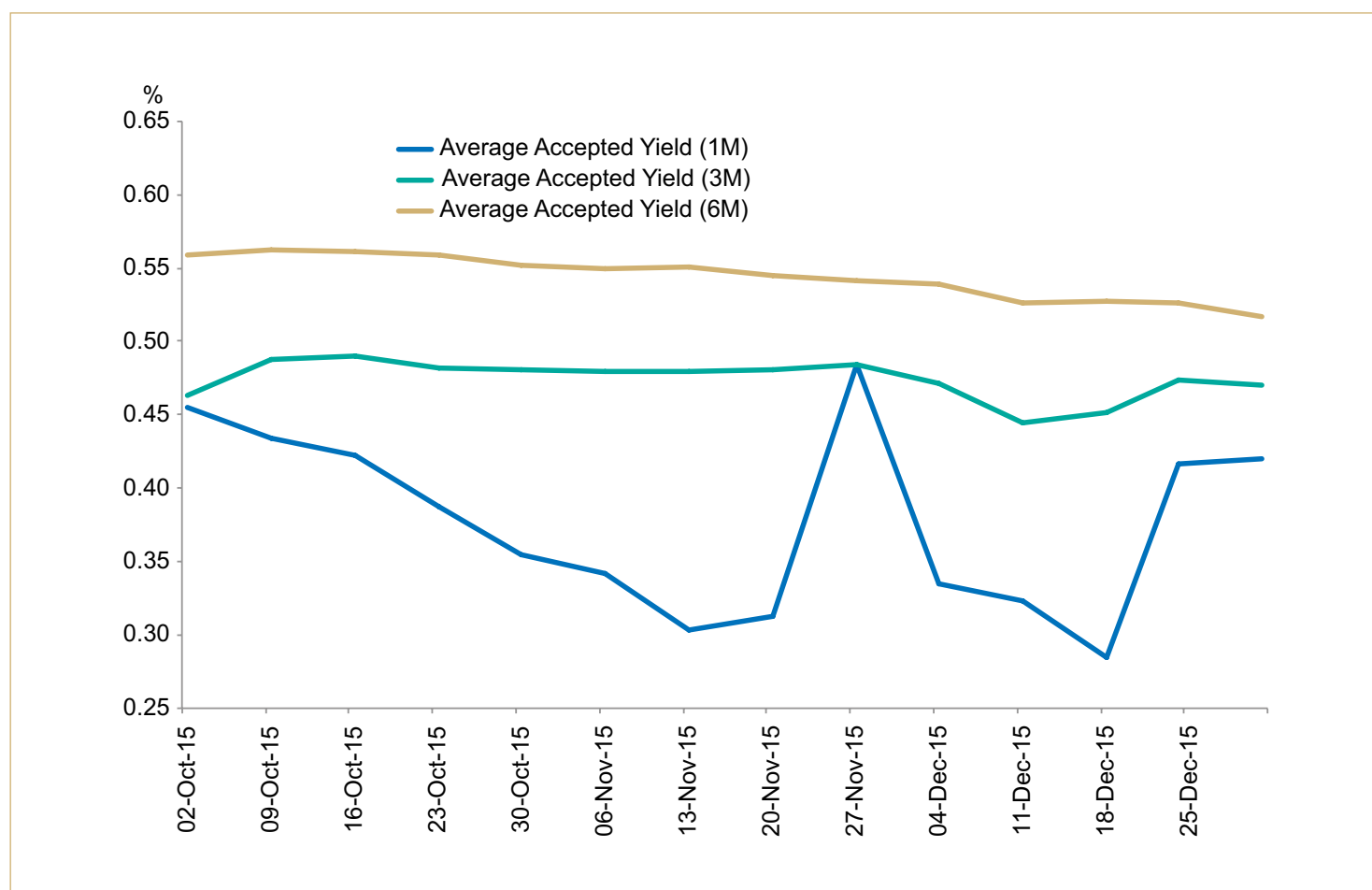
Index-linked gilt market turnover 2007 - 2015



*Professional turnover is defined as turnover with counterparties who are Broker Dealers (BDs), other Gilt-edged Market Makers (GEMMs), DMO or Bank of England. Customers are all others (including businesses with related entities).

** The redemption totals for index-linked gilts in this chart do not reflect the full value of inflation uplift. They are calculated in a way consistent with the formulation of the Government's financing requirement; i.e. that part of the accrued inflation uplift on any redeeming gilts that represents the return to investors is included in the CGNCR in that redemption year, and the remainder is included in the redemption total for the year in which the relevant gilts redeem. 'Government holdings' is defined as gilts held by the DMO.

Treasury bill tender results October – December 2015



Contacts

Team	Telephone No.	Email
Policy Team	020 7862 6532	policy@dmo.gsi.gov.uk
Markets Team	020 7862 6517	markets@dmo.gsi.gov.uk
Research Team	020 7862 6516	research@dmo.gsi.gov.uk
Press Office	020 7862 6532	pressofficer@dmo.gsi.gov.uk
Web Team	020 7862 6594	webstrategy@dmo.gsi.gov.uk
Public Works Loan Board	020 7862 6610	pwlb@dmo.gsi.gov.uk

Updated data, press releases and other information are available on the DMO website at www.dmo.gov.uk. Please send any queries to one of the email addresses above.

DMO website: useful links

What's New

http://www.dmo.gov.uk/ceLogon.aspx?page=Press_New&rptcode=D8D

Events calendar

http://www.dmo.gov.uk/ceLogon.aspx?page=Events_Calendar&rptCode=D5J

Gilt market

Gilt prices page

http://www.dmo.gov.uk/index.aspx?page=Gilts/Daily_Prices

Gilts in issue

http://www.dmo.gov.uk/index.aspx?page=Gilts/Gilts_In_Issue

Summary of results from all DMO gilt operations

http://www.dmo.gov.uk/ceLogon.aspx?page=Summary_of_results&rptCode=D2.1prof7

Cash sales versus the remit (updated after each operation)

<http://www.dmo.gov.uk/index.aspx?page=Remit/Information>

Gilt issuance history

http://www.dmo.gov.uk/index.aspx?page=Gilts/Gilts_In_Issue

Overseas holdings data

http://www.dmo.gov.uk/ceLogon.aspx?page=Gilts/Overseas_Holdings&rptCode=D5N

Index-linked gilts

Index-linked gilts in issue

<http://www.dmo.gov.uk/ceLogon.aspx?page=D1D&rptcode=D1D>

Published cash flows

http://www.dmo.gov.uk/ceLogon.aspx?page=Nominal_IL&rptCode=D5I

Daily index ratios

<http://www.dmo.gov.uk/ceLogon.aspx?page=D10C&rptcode=D10C>

Money markets

Treasury bill prices

http://www.dmo.gov.uk/ceLogon.aspx?page=tbills/Daily_Prices_Yields&rptCode=D3A

Summary of Treasury bill tender results

http://www.dmo.gov.uk/index.aspx?page=tbills/tbill_tenders

Treasury bill issuance history

http://www.dmo.gov.uk/ceLogon.aspx?page=tbills/Portfolio_Composition&rptcode=D2.2G

National Loan Guarantee Scheme

<http://www.dmo.gov.uk/index.aspx?page=CGS/NLGS2012>

Key documents

Historical copies of the Quarterly Review

http://www.dmo.gov.uk/index.aspx?page=publications/Quarterly_Reviews

Historical copies of the Annual Review

http://www.dmo.gov.uk/index.aspx?page=publications/Annual_Reviews

DMO website: useful links

Operational Notice – Gilt market

http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/Opnot20150401.pdf&page=operational_rules/Document

Operational Notice – Cash market

http://www.dmo.gov.uk/documentview.aspx?docname=publications/moneymarkets/cmopnot310314.pdf&page=money_markets/publication

Guidebook – GEMMs

<http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/guidebook20150401.pdf>

Debt & Reserves Management Report 2015-16

http://www.dmo.gov.uk/documentview.aspx?docname=remit/dmr1516.pdf&page=Remit/full_details

DMO Financing Remit 2015-16

http://vappbiweb.ukdmo.gov.uk/DMO_WEB/documentview.aspx?docName=remit/sa251115.pdf

Information Memorandum

<http://www.dmo.gov.uk/documentview.aspx?>

[docname=publications/operationalrules/infmemadd231115.pdf&page=operational_rules/Document](http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd231115.pdf&page=operational_rules/Document)

Gilt prospectuses

<http://www.dmo.gov.uk/ceLogon.aspx?page=Prospectuses&rptcode=D8E>

Formulae for calculating gilt price from yields

<http://www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf&page=Gilts/Formulae>

Public Works Loan Board (PWLB)

<http://www.dmo.gov.uk/index.aspx?page=PWLB/Introduction>