

AGENDA FOR THE QUARTERLY CONSULTATION MEETING WITH GILT MARKET INVESTORS, 3.30pm AND GEMMs, 5.00pm ON MONDAY 1 DECEMBER 2008 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 sarah.ellis@dmo.gsi.gov.uk (020 7862 6525) or Steve Whiting steve.whiting@dmo.gsi.gov.uk (020 7862 6532) by close Friday 28 November if you would like to attend.

1. **Review of gilt market operations: October-November 2008**
2. **Choice of conventional and index-linked gilts for auctions scheduled in January-March 2009.**
The table below lists the 20 scheduled auction dates and weeks in which the four gilt mini-tenders will be held. For conventional gilts a suggested schedule for the maturity of issuance is provided to facilitate the discussion.

Q4 Issuance Calendar

w/c 05-Jan	Conv. Tender
07-Jan	Conventional
13-Jan	Conventional
15-Jan	Index-linked
w/c 19-Jan	Conv. Tender
22-Jan	Conventional
27-Jan	Index-linked
29-Jan	Conventional
03-Feb	Conventional
04-Feb	Conventional
10-Feb	Conventional
12-Feb	Index-linked
w/c 16-Feb	Conv. Tender
19-Feb	Conventional
24-Feb	Index-linked
26-Feb	Conventional
03-Mar	Conventional
04-Mar	Conventional
10-Mar	Conventional
12-Mar	Index-linked
w/c 16-Mar	Conv. Tender
19-Mar	Conventional
25-Mar	Conventional
26-Mar	Index-linked

**Suggested Maturity Split
(Conventional Auctions)**

w/c 05-Jan	Short Tender
07-Jan	Long
13-Jan	Medium
15-Jan	Index-linked
w/c 19-Jan	Long Tender
22-Jan	Short
27-Jan	Index-linked
29-Jan	Medium
03-Feb	Short
04-Feb	Long
10-Feb	Medium
12-Feb	Index-linked
w/c 16-Feb	Long Tender
19-Feb	Short
24-Feb	Index-linked
26-Feb	Medium
03-Mar	Short
04-Mar	Long
10-Mar	Medium
12-Mar	Index-linked
w/c 16-Mar	Long Tender
19-Mar	Short
25-Mar	Long
26-Mar	Index-linked

(Dates in February and March are subject to confirmation pending the Chancellor's decision on the timing of the Budget. The exact dates of the conventional tenders are subject to confirmation).

Conventional gilt issuance

The DMO will be holding five short-dated, five medium-dated and four long-dated auctions in Q4 of 2008-09. One short-dated mini-tender is scheduled for the week commencing 5 January and three long-dated conventional mini-tenders are also scheduled for the third week of each month.

The suggested maturity schedule of conventional issuance above reflects the DMO's aim to provide regularity in the issuance calendar across each maturity sector in the second table.

The DMO's ongoing policy is to build up new gilts to benchmark size. In order both to widen issuance choices and to contribute to managing the frequency and timing of the launch of new gilts, the DMO is prepared to re-open individual gilts to larger sizes than has been the practice to date. In decisions on the maturity of new gilts the DMO will have explicit regard to the impact on the redemption profile.

- Short-dated: The DMO anticipates at least one further re-opening each of 4½% 2013 and 3¼% 2011 to continue to build the gilts up to benchmark size. The DMO welcomes views on other short-dated candidates (including for the mini-tender) and on the maturity date and timing of the launch of a new 5-year benchmark (e.g. a new March 2014).
- Medium-dated: The DMO anticipates re-opening 4½% 2019 at least once within the quarter. The DMO welcomes views on other medium-dated candidates. The DMO also welcomes views on the maturity date and timing of the launch of a new medium-dated gilt (e.g. a new March 2017 or a new 2023 gilt).
- Long-dated: Views are sought on the long-dated candidates for outright auctions and mini-tenders. In line with the benchmark building policy, the DMO proposes to re-open each of 4¾% 2030 and 4¼% 2049 at least once in the forthcoming quarter (by auction and/or tender). The DMO also seeks views on the re-opening of other existing long conventional gilts.

Index-linked gilt issuance

There are six index-linked auctions scheduled in Q4. The DMO will aim to continue to build up new benchmark bonds at key maturities across the real yield curve. As far as possible it is the DMO's intention to schedule a long-dated index-linked gilt auction towards the end of each month. The DMO anticipates re-opening 1¼% IL 2032 at least once in the next quarter and seeks views on other candidates, including whether a new index-linked gilt should be launched in Q4.

3. Any other business