RECORD OF THE DMO CONSULTATIONS WITH GILT MARKET PARTICIPANTS AHEAD OF THE ANNOUNCEMENT OF THE JANUARY TO MARCH 2027 GILT OPERATIONS CALENDAR

The DMO held consultations with the Gilt-edged Market Makers (GEMMs) and with representatives of gilt investors on Monday 16 November 2026 in hybrid form, with some participants attending at the DMO's offices and others joining via conference/video call.

The consultations were primarily intended to inform the choice of gilts to be sold via auction and syndication in the fourth quarter of financial year 2026-27, as well as the dates and maturity sectors for programmatic gilt tenders in the period. The DMO also welcomed views on the case for, and timing of, any switch auction in Q4 2026-27.

The DMO set out a schedule of nine gilt auction dates in Q4 2026-27, together with a proposed maturity split for conventional gilt auctions. The DMO is currently planning to schedule two syndicated offerings in the quarter: for a new 10-year conventional gilt in the second half of January 2027, and for a new long conventional gilt in the 15-year area in late February or March 2027. The DMO also set out preliminary proposals for a schedule of programmatic gilt tenders in Q4 2026-27 and provisionally identified 11 February 2027 as a potential date for a switch operation.

In discussion, the following main points emerged.

GEMMs

Syndications

There was strong support for the launch of a new 10-year conventional gilt in the second half of January 2027. GEMMs also strongly favoured the launch of a new conventional gilt in the 15-year area in late February or March 2027, with a number of recommendations centred on a 2042 maturity, and an isolated call not to commit to a maturity area at this stage.

Conventional (seven auctions)

Short (three auctions)

There was strong support for one re-opening each of 4⅝% 2030, 4⅝% 2032 and 4⅛% 2033 during the quarter. There were also isolated calls for one re-opening each of 0½% 2029, 0⅞% 2029, 4⅜% 2030 and 4¾% 2030.

Medium (three auctions)

There was strong support for one re-opening each of 4⅝% Green Gilt 2037, 5¼% 2041 and the new 10-year conventional gilt provisionally chosen for launch via syndication in the second half of January 2027. There were a couple of calls for two re-openings of 5¼% 2041, alongside isolated calls for a re-opening of 0⅝% 2035 and for the launch of a new medium conventional gilt.

Long (one auction)

There was unanimous support for one re-opening of 5⅜% 2056 by auction in Q4 2026-27.

Index-linked (two auctions)

Recommendations were mainly focussed on re-openings of IL 2031, IL 2035, IL 2038 and IL 2056 during the quarter, with isolated calls to re-open IL 2032, IL 2033, IL 2036, IL 2045, IL 2054 and IL 2073.

Programmatic gilt tenders

GEMMs continue to value the flexibility provided by gilt tenders at the margins of the financing programme, with support expressed by the majority of participants for the preliminary schedule of programmatic gilt tenders proposed by the DMO in January to March 2027. A few participants favoured issuance across a range of maturities, particularly in the short and long conventional sectors, with support also expressed for index-linked gilt issuance via programmatic gilt tenders. However, many attendees recommended retaining flexibility over the precise maturities to be issued until closer to the planned date of each gilt tender, in order better to reflect demand and prevailing market conditions at the time.

Switch auctions

There was support for the proposed use of a switch auction in the short conventional sector in Q4 2026-27, and a general discussion about the flexible deployment of switch auctions in the future.

Gilt investors

Syndications

Attendees supported the launch of a new 10-year conventional gilt maturing in 2037 at the first syndication in the quarter, and the launch of a new 15-year conventional gilt at the second transaction.

Conventional (seven auctions)

Short (three auctions)

Amongst those participants who offered an opinion, there was support for one re-opening each of 4⅝% 2030, 4⅝% 2032 and 4⅛% 2033 during the quarter.

Medium (three auctions)

Those investors who provided feedback supported one re-opening each of 4⅝% Green Gilt 2037, 5¼% 2041 and the new 10-year conventional gilt provisionally chosen for launch via syndication in January 2027.

Long (one auction)

Attendees who commented recommended a re-opening of 5⅜% 2056 by auction in the quarter.

Index-linked (two auctions)

Where investors provided recommendations, re-openings of IL 2031, IL 2035, IL 2038, IL 2049, IL 2056 and IL 2073 were mentioned.

Programmatic gilt tenders

Attendees who commented were supportive of the use of programmatic gilt tenders in Q4 2026-27, although with a preference to retain flexibility over issuance choices until closer to the time of each transaction.

Switch auctions

Investors who provided a view were supportive of the addition of switch auctions to the DMO's toolkit, with potential candidates for destination gilts in both the short and long maturity sectors suggested.

Timetable

The DMO will announce details of the gilt operations calendar for January to March 2027 at 7.30am on Monday 30 November 2026.

The next consultations to discuss gilt issuance in the period April to June 2027 are currently scheduled for 3.30pm (gilt market investors) and 5.00pm (GEMMs) on Monday 8 March 2027[1].

[1] Subject to confirmation pending any decision by the Chancellor of the Exchequer on the timing of fiscal events.