

## REVISION TO THE DMO'S FINANCING REMIT 2022-23: SEPTEMBER 2022

- The DMO's Net Financing Requirement (NFR) for 2022-23 is rising by £72.4 billion to £234.1 billion following the publication today of the Government's Growth Plan. This NFR revision principally reflects the funding required for all measures announced since the last remit update, which was published on 26 April 2022.
- The increase will be financed by:
  - additional gilt sales of £62.4 billion, taking the planned total in 2022-23 to £193.9 billion; and
  - additional net sales of Treasury bills for debt management purposes of £10.0 billion, taking the planned increase in 2022-23 to £40.2 billion and the planned stock at end-March 2023 to £77.0 billion.
- The additional gilt sales, new planned totals, proportion by maturity and type of gilt and development of the gilt issuance split in the financial year to date are shown in the table below.

	Spring Statement 2022	April revision	Previous plans (as of 22 September 2022)	September revision	Change September vs. April	Change September vs. previous plans (as of 22 September 2022)
<b>£bn</b>						
Short	37.1	39.4	42.3	73.5	34.1	31.2
Medium (including green gilts)	26.5	28.1	29.1	46.6	18.5	17.5
Long (including green gilts)	35.5	37.3	38.6	47.0	9.7	8.4
Index-linked	18.6	19.7	20.9	21.2	1.5	0.3
Unallocated	7.0	7.0	0.6	5.6	-1.4	5.0
<b>Total</b>	<b>124.7</b>	<b>131.5</b>	<b>131.5</b>	<b>193.9</b>	<b>62.4</b>	<b>62.4</b>
<b>%</b>						
Short	29.8%	30.0%	32.2%	37.9%	7.9%	5.7%
Medium (including green gilts)	21.3%	21.4%	22.1%	24.0%	2.7%	1.9%
Long (including green gilts)	28.5%	28.4%	29.4%	24.2%	-4.1%	-5.1%
Index-linked	14.9%	15.0%	15.9%	10.9%	-4.0%	-5.0%
Unallocated	5.6%	5.3%	0.5%	2.9%	-2.4%	2.4%
<i>Figures may not sum due to rounding.</i>						

- The updated financing arithmetic for 2022-23 is published at Annex A.

### Gilt syndications

- One additional long conventional gilt syndication, for the launch of a new current coupon gilt maturing in January 2038, is now planned for the week commencing 31 October 2022 (subject to demand and market conditions) and planned sales by syndication of long conventional gilts in 2022-23 are rising by £5.0 billion to £18.0 billion. Of the two index-linked gilt syndications planned in 2022-23, the second remains scheduled for the second half of November 2022. Planned sales by syndication of index-linked gilts are falling by £1.0 billion to £7.5 billion.

### Gilt auctions

- Thirteen additional gilt auctions are planned for the remainder of the financial year; seven short conventional, five medium conventional and one long conventional, taking the planned total

number of auctions in 2022-23 to 64. The new split of auctions by type and maturity of gilt is shown in the table below.

<b>Additional auctions</b>		<b>New total</b>
Short	7	20
Medium	5	17
Long	1	16
Index-linked	0	11
<b>Total additional auctions</b>	<b>13</b>	<b>64</b>

7. To accommodate the additional planned syndication in the week commencing 31 October 2022 mentioned above, previously announced auctions of 0½% Treasury Gilt 2046 and 1½% Treasury Gilt 2039<sup>1</sup> have been rescheduled to later in the quarter. With one further exception - moving 0¼% Treasury Gilt 2025<sup>2</sup> to later in December - other previously announced operations and dates have been retained. Note that whilst the bidding window for most auctions will be 09:00-10:00am (London time), the DMO may schedule some operations for a later time (e.g. 10:30-11:30am) where there may be conflicting significant market events or data releases. A provisional revised gilt auction calendar for October to December 2022 and an updated list of auction dates for January to March 2023 is at Annex B.
8. The revised split of gilt issuance by type, maturity and issuance method is at Annex C.

#### **Feedback and confirmation of operations calendar**

9. Market participants who wish to provide feedback on the provisional operations calendar for October to December 2022 should send this to [giltdealing@dmo.gov.uk](mailto:giltdealing@dmo.gov.uk) or [policy@dmo.gov.uk](mailto:policy@dmo.gov.uk), by 12 noon on Monday 26 September 2022. The DMO will publish the final operations calendar for October to December 2022 at 7.30am on Tuesday 27 September 2022.

#### **Unallocated portion of gilt issuance**

10. The size of the unallocated portion of gilt issuance is being increased by £5.0 billion, to £5.6 billion. The unallocated portion may be used to issue any type or maturity of gilt by any issuance method.

#### **23 September 2022**

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<sup>1</sup> The previously announced dates for these auctions were Tuesday 1 November 2022 and Tuesday 15 November 2022 respectively.

<sup>2</sup> The previously announced date for this auction was Tuesday 6 December 2022.

## Annex A: Revised gilt financing arithmetic 2022-23

Financing arithmetic September 2022 update (£ billions)	2022-23 April update	2022-23 September update
CGNCR (ex NRAM, B&B, and NR) <sup>1</sup>	94.3	94.3
Additional financing for Growth Plan		72.4
Gilt redemptions	107.1	107.1
Financing adjustment carried forward from previous financial years <sup>2</sup>	-33.1	-33.1
<b>Gross Financing Requirement</b>	<b>168.4</b>	<b>240.8</b>
<i>Less:</i>		
NS&I net financing	6.0	6.0
NS&I Green Savings Bonds	-	-
Other financing <sup>3</sup>	0.7	0.7
<b>Net Financing Requirement (NFR) for the DMO</b>	<b>161.7</b>	<b>234.1</b>
DMO's NFR will be financed through:		
<b>Gilt sales, through sales of:</b>		
- Short conventional gilts	39.4	73.5
- Medium conventional gilts (including green gilts)	28.1	46.6
- Long conventional gilts (including green gilts)	37.3	47.0
- Index-linked gilts	19.7	21.2
- Unallocated amount of gilts	7.0	5.6
<b>Total gilt sales for debt financing</b>	<b>131.5</b>	<b>193.9</b>
<b>Total net contribution of Treasury bills for debt financing</b>	<b>30.2</b>	<b>40.2</b>
<b>Total financing</b>	<b>161.7</b>	<b>234.1</b>
DMO net cash position	2.3	2.3
<i>Figures may not sum due to rounding.</i>		
<sup>1</sup> Central Government Net Cash Requirement (excluding NRAM Ltd, Bradford & Bingley and Network Rail).		
<sup>2</sup> The -£33.1 billion financing adjustment in 2022-23 carried forward from previous years reflects the 2021-22 outturn for the CGNCR (ex NRAM, B&B, and NR), as first published on 26 April 2022. The -£33.1 billion adjustment in 2022-23 is the amount required to reduce the estimated DMO cash position at end-March 2023 to £2.3 billion.		
<sup>3</sup> This financing item is typically comprised of estimated income from coinage and unhedged reserves.		

**Annex B: Provisional gilt auction calendar October to December 2022 and revised auction dates January to March 2023**

<b>Date</b>	<b>Gilts</b>	<b>Comments</b>
04-Oct-22	0½% Treasury Gilt 2061	
05-Oct-22	1% Treasury Gilt 2032	
11-Oct-22	0½% Index-linked Treasury Gilt 2051	
12-Oct-22	New Treasury Gilt maturing on 29 January 2027	
18-Oct-22	1¼% Treasury Gilt 2051	
19-Oct-22	1% Treasury Gilt 2032	Added. Timing to be confirmed in the Tuesday 27 September announcement.
25-Oct-22	0½% Index-linked Treasury Gilt 2039	
26-Oct-22	0½% Treasury Gilt 2029	
01-Nov-22 - cancelled auction date	<del>0½% Treasury Gilt 2046</del>	The previously announced auction of 0½% Treasury Gilt 2046 has now moved to 15 November 2022.
08-Nov-22	New Treasury Gilt maturing on 29 January 2027	
09-Nov-22	0½% Green Gilt 2033	
15-Nov-22	0½% Treasury Gilt 2046	The gilt was originally planned to be re-opened via auction on 1 November 2022.
16-Nov-22	0¼% Treasury Gilt 2025	Added. Timing to be confirmed in the Tuesday 27 September announcement.
23-Nov-22	1% Treasury Gilt 2032	Added
01-Dec-22	1¼% Treasury Gilt 2051	
*06-Dec-22	New Treasury Gilt maturing on 29 January 2027	The gilt originally planned for sale on 6 December was 0¼% Treasury Gilt 2025. This gilt is now planned for sale on Tuesday 20 December.
*06-Dec-22	1½% Treasury Gilt 2039	Added auction slot. The gilt was originally planned to be re-opened via auction on 15 November 2022.
07-Dec-22	0½% Index-linked Treasury Gilt 2031	
13-Dec-22	1% Treasury Gilt 2032	
20-Dec-22	0¼% Treasury Gilt 2025	Added auction date. 0¼% Treasury Gilt 2025 was originally planned for sale on Tuesday 6 December.

<b>Date</b>	<b>Gilts</b>	<b>Comments</b>
05-Jan-23	Conventional	
10-Jan-23	Conventional	
11-Jan-23	Conventional	Added
17-Jan-23	Conventional	
18-Jan-23	Conventional	Added
24-Jan-23	Index-linked	
01-Feb-23	Conventional	
07-Feb-23	Conventional	
08-Feb-23	Conventional	Added
14-Feb-23	Conventional	
15-Feb-23	Conventional	Added
21-Feb-23	Conventional	
22-Feb-23	Conventional	Added
*01-Mar-23	Index-linked	
*01-Mar-23	Conventional	Added
07-Mar-23	Conventional	
08-Mar-23	Conventional	Added
14-Mar-23	Conventional	
15-Mar-23	Conventional	Added
21-Mar-23	Conventional	
28-Mar-23	Index-linked	
29-Mar-23	Conventional	Added

\* Double auction date

### Annex C: Revised split of gilt issuance by type, maturity and issuance method

	Auction	Syndication	Gilt tender	Unallocated	Total
<b>Short conventional</b> £ billion	72.1		1.4		73.5 37.9%
<b>Medium conventional<sup>1</sup></b> £ billion	46.6				46.6 24.0%
<b>Long conventional<sup>2</sup></b> £ billion	29.0	18.0			47.0 24.2%
<b>Index-linked</b> £ billion	13.7	7.5			21.2 10.9%
<b>Unallocated</b> £ billion				5.6	5.6 2.9%
<b>Total £ billion</b>	<b>161.4</b>	<b>25.5</b>	<b>1.4</b>	<b>5.6</b>	<b>193.9</b>
<b>Total per cent</b>	<b>83.2%</b>	<b>13.1%</b>	<b>0.7%</b>	<b>2.9%</b>	
<i>Figures may not sum due to rounding.</i>					
<sup>1</sup> Including green gilt sales.					
<sup>2</sup> Including green gilt sales.					