

RECORD OF THE DMO CONSULTATIONS WITH GILT MARKET PARTICIPANTS AHEAD OF THE ANNOUNCEMENT OF THE APRIL TO JUNE 2026 GILT OPERATIONS CALENDAR

The DMO held consultations with the Gilt-edged Market Makers (GEMMs) and with representatives of gilt investors on Monday 16 March 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 first quarter of financial year 2026-27, as well as the dates and maturity sectors for programmatic gilt tenders in the period.

The DMO set out a schedule of 13 gilt auction dates in Q1 2026-27, together with a proposed maturity split for conventional gilt auctions. The DMO is also planning to schedule two syndicated offerings during the period. In April 2026, the DMO plans for the sale of a new medium conventional gilt in the 10-year area. In June 2026, the DMO has provisionally planned for the sale of a new or existing long conventional gilt, although both the maturity and type of gilt to be sold will be confirmed closer to the time of the transaction. The DMO also set out preliminary proposals for a schedule of programmatic gilt tenders in Q1 2026-27.

In discussion, the following main points emerged.

GEMMs

Medium conventional gilt syndication

All attendees who provided a recommendation were in favour of the launch in April 2026 of a new medium conventional gilt maturing in 2036, with a suggested maturity month ranging from April to October 2036.

Long conventional gilt syndication

A number of participants expressed preliminary support for the launch of a new 20-year conventional gilt in June 2026 maturing in either 2045, 2046, 2047 or 2048. However, there were also suggestions for re-openings of 5¼% 2041, 4¼% 2046 and 5¾% 2056. There was also a suggestion for issuance of an index-linked gilt at this transaction. However, many attendees expressed a preference to avoid making a firm commitment at this stage, given the length of time before the transaction is planned to take place. Some attendees were, at this point, open to the possibility of a dual tranche transaction in June 2026.

Conventional (nine auctions)

Short (six auctions)

Very strong support was expressed for two re-openings each of 4% 2029 and 4½% 2031 in Q1 2026-27 with a few participants recommending a third re-opening of these gilts in the April to June 2026 period. In addition, there was strong support for a re-opening of 4½% 2033 with a number of attendees advocating for two re-openings of this gilt. There were also isolated calls for re-openings of other short-dated gilts.

Medium (three auctions)

A large majority of attendees advocated for a re-opening of the new 10-year gilt to be launched via syndication in April 2026, subject to demand and market conditions. Support was expressed for a re-opening of 5¼% 2041 in the quarter, with a couple of suggestions for two

re-openings, along with recommendations from the majority of attendees for a re-opening of 4½% Green Gilt 2037. There were also isolated calls for re-openings of other medium conventional gilts.

Index-linked (four auctions)

The most frequently recommended index-linked gilts for issuance in Q1 2026-27 were IL 2031, IL 2035, IL 2038 and IL 2049. A minority of participants also expressed an interest in two re-openings of IL 2035, with a few calls for a second re-opening of IL 2038 and IL 2049 in the quarter. There were also a small number of calls for re-openings of IL 2054 and IL 2056 with isolated requests for re-openings of IL 2029, IL 2036, IL 2042, IL 2045 and IL 2073, as well as for the launch of a new index-linked gilt maturing in 2032.

Programmatic gilt tenders

Participants at the meeting reaffirmed the value of programmatic gilt tenders in providing flexibility at the margins of the financing programme and were supportive of their continued use in 2026-27. There was broad support from GEMMs for the preliminary schedule of programmatic gilt tenders proposed by the DMO in April to June 2026. The majority of 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 market conditions nearer the time.

Gilt investors

Medium conventional gilt syndication

Those investors who provided feedback supported the launch of a new medium conventional gilt maturing in either July or October 2036.

Long conventional gilt syndication

Participants who expressed an opinion recommended retaining flexibility about the choice of gilt to issue at the planned syndication in June 2026, taking into account that the transaction is not due to take place for more than three months and any decisions need to reflect how market conditions may evolve in the period ahead. Views were mixed on the merits of dual tranche syndications.

Conventional (nine auctions)

Short (six auctions)

Amongst those attendees who provided feedback there was strong support for two re-openings of 4% 2029 with an isolated call for three re-openings of the gilt in Q1 2026-27. Investors also recommended re-opening 4½% 2031 and 4½% 2033, with most participants who offered an opinion recommending two or three re-openings of 4½% 2031 and one or two re-openings of 4½% 2033.

Medium (three auctions)

Participants who offered an opinion favoured one re-opening each of 4½% Green Gilt 2037, 5¼% 2041 and the new medium conventional gilt planned for launch by syndication in April 2026, subject to demand and market conditions.

Index-linked (four auctions)

Where investors provided recommendations, they were mainly in favour of re-openings of IL 2031, IL 2035, IL 2038 and IL 2049 in Q1 2026-27, although there were also calls for re-openings at both shorter and longer maturities, with IL 2054 and IL 2056 mentioned by some participants in respect of the latter.

Switch auctions

Some investors commented favourably on the possibility that the DMO may use switch auctions in 2026-27 and expressed interest in working collaboratively with the DMO to provide input on the structure of such operations, should the DMO decide to deploy them later in the financial year.

Programmatic gilt tenders

Attendees who commented were supportive of programmatic gilt tenders and welcomed their continued use in 2026-27, noting the flexibility that they provide over issuance choices.

Timetable

The DMO will announce the details of the gilt operations calendar for April to June 2026 at 7.30am on Friday 20 March 2026.

The next consultations to discuss gilt issuance in the period July to September 2026 are currently scheduled for 3.30pm (gilt market investors) and 5.00pm (GEMMs) on Monday 18 May 2026.