

AGENDA FOR THE CONSULTATION MEETING WITH GILT MARKET INVESTORS (3.30PM) AND GEMMS (5.00PM) TO DISCUSS GILT ISSUANCE IN OCTOBER-DECEMBER 2012, ON TUESDAY 21 AUGUST 2012 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 gilt issuance in October-December 2012. 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 (0845 357 6525) or Steve Whiting steve.whiting@dmo.gsi.gov.uk (0845 357 6532) by close Friday 17 August 2012 if you would like to attend.

1. **Review of gilt market operations in June – August 2012.**
2. **The DMO anticipates holding two syndicated offerings in Q3 2012-13, one each of a long conventional and index-linked gilt. The DMO is seeking views on the timing and maturity of gilts for these syndications, as well as for the syndication of an index-linked gilt to be held in the second half of September.**
3. **Choice of conventional and index-linked gilts for auctions scheduled in October-December 2012.**
4. **The DMO is interested in any views at this stage on the timing of up to two mini-tenders in Q3 2012-13.**
5. **Update on Royal Mail Pension Plan gilts cancellation.**
6. **Any other business.**

Table 1 below lists the 10 auctions scheduled in October-December 2012¹. To facilitate discussion a possible schedule of conventional gilt issuance by maturity is provided in Table 2. The DMO welcomes market views on auction scheduling.

The DMO's ongoing policy is to build up gilts to benchmark size, taking into account the impact of issuance on the redemption profile. The schedule of issuance in Table 2 is an example of the DMO's preference to provide regularity of issuance by maturity and type.

**Table 1:
October-December
Issuance Calendar**

2-Oct	Conventional
9-Oct	Conventional
11 Oct	Index-linked
18-Oct	Conventional
1-Nov	Index-linked
6-Nov	Conventional
15-Nov	Conventional
20-Nov	Conventional
5-Dec	Conventional
13-Dec	Index-linked

**Table 2:
Suggested Maturity Split
(Conventional Auctions)**

2-Oct	Medium
9-Oct	Long
11-Oct	IL
18-Oct	Short
1-Nov	IL
6-Nov	Medium
15-Nov	Long
20-Nov	Short
5-Dec	Medium
13-Dec	IL

¹ Dates subject to confirmation depending on the Chancellor's decision on the Budgetary timetable.

Conventional gilt issuance

The DMO is planning that there will be two short, three medium and two long conventional auctions in October to December 2012.

- Short (two auctions): the DMO anticipates at least one re-opening of the current 5-year benchmark 1% 2017, but welcomes views on this. The DMO also welcomes views on any other short conventional candidates for auction in Q3 2012-13, taking into account implications for the near-term redemption profile.
- Medium (three auctions): the DMO envisages re-opening the new 10-year benchmark 1¾% 2022 at least twice in the quarter to help build the gilt further. The DMO welcomes views on this and on the timing of re-openings. The DMO also welcomes views on any other medium conventional candidates for auction.
- Long (two auctions): the DMO welcomes views on the identity and timing of long conventional gilts to be auctioned in Q3 2012-13, taking into account the planning assumption that there will be one conventional gilt syndication in the quarter.

Index-linked gilt issuance

There are three index-linked gilt auctions scheduled in October-December 2012. The DMO welcomes views on candidates for, and the sequencing of, index-linked gilt issuance in this period, taking into account the planning assumption that there will be one index-linked gilt syndication in the quarter.

The DMO will announce details of the gilt operations calendar for October-December 2012 at 3.30pm on Friday 31 August 2012.

The next consultation meetings to discuss gilt issuance in January-March 2013 are scheduled to be held at 3.30pm (end-investors) and 5.00pm (GEMMs) on Monday 26 November 2012².

² Subject to confirmation depending on the Chancellor's decision on the Budgetary timetable.