



31 August 2016

PRESS NOTICE

GILT OPERATIONS CALENDAR: OCTOBER-DECEMBER 2016, INCLUDING AN UPDATE ON THE SYNDICATION, GILT TENDER AND AUCTION PROGRAMMES

1. Gilt auctions

The UK Debt Management Office (DMO) announces that in the period October-December 2016 it plans to hold eleven outright gilt auctions, as set out below:

Auction date*	Gilt	Further details announced**
Tuesday 4 October	0½% Treasury Gilt 2022	Tuesday 27 September
Thursday 6 October	The new conventional gilt maturing on 22 July 2047 ¹	Tuesday 27 September
Wednesday 12 October	0⅛% Index-linked Treasury Gilt 2036	Tuesday 4 October
Wednesday 19 October	1½% Treasury Gilt 2026	Tuesday 11 October
Tuesday 1 November	0½% Treasury Gilt 2022	Tuesday 25 October
Tuesday 8 November	A new conventional gilt maturing on 7 September 2037	Tuesday 1 November
Thursday 17 November	0⅛% Index-linked Treasury Gilt 2026	Tuesday 8 November
Tuesday 22 November	1½% Treasury Gilt 2026	Tuesday 15 November
Tuesday 6 December	0½% Treasury Gilt 2022	Tuesday 29 November
Wednesday 7 December	The conventional gilt maturing on 22 July 2047	Tuesday 29 November
Wednesday 14 December	1½% Treasury Gilt 2026	Tuesday 6 December

*Subject to confirmation pending the Chancellor's decision on the Budgetary timetable

**Including the coupon on the new conventional gilt maturing on 7 September 2037

2. Syndications

The DMO is also announcing today that it plans to hold two syndications in the third quarter of the financial year, as set out below:

Date*	Gilt	Further details announced
Second half of October	2½% Treasury Gilt 2065	Around two weeks in advance
Second half of November	An index-linked gilt with a maturity in the 30-year area or longer	Around two weeks in advance

*Subject to market and demand conditions

¹ This gilt will be auctioned for the first time on 20 September 2016. The coupon on the gilt will be announced at 3.30pm on Tuesday 13 September 2016 and it will pay a short first coupon on 22 January 2017.

3. Gilt tenders

The DMO expects to schedule a gilt tender in September and is interested to hear further views on particular gilts to issue and the timing of any such gilt tender. Further representations from market participants are also welcomed about demand for a gilt tender, or gilt tenders in Q3 2016-17.

Gilt tenders may be added to the operations calendar usually with at least seven working days' notice, after prior consultation with the market, but can be scheduled at shorter notice as required.

4. Transfer of £1.5 billion (cash) from the unallocated portion of issuance to the gilt auction programme

In order to maintain relative stability in average auction sizes (in cash terms) which would otherwise be expected to continue to fall, reflecting take-up of the Post Auction Option Facility, the DMO has taken the decision to transfer £1,500 million (cash) from the unallocated portion of gilt issuance to the gilt auction programme. This increases the overall size of the gilt auction programme to £99.5 billion and reduces the remaining size of the unallocated programme to £4.1 billion.

The re-allocations to the short, medium and long conventional auction programmes have largely reversed the reduction in average sizes for these operations caused mainly by take-up of the Post Auction Option Facility at these auctions since the April 2016 remit revision. Details are shown in the table below:

(£mn)	Short	Medium	Long	Index-linked
Current auction target	31,000	25,200	27,300	14,500
Current auction sales (including PAOF)	15,282	8,434	11,732	6,790
Balance to current target	15,718	16,766	15,568	7,710
Auctions remaining	6	7	7	6
Current average auction sizes	2,620	2,395	2,224	1,285
Average auction sizes April 2016	2,773	2,481	2,255	1,290
Reduction since April	-153	-86	-31	-5
Re-allocation	800	500	200	-
New auction target	31,800	25,700	27,500	14,500
Balance to new target	16,518	17,266	15,768	7,710
New average auction sizes	2,753	2,467	2,253	1,285
Resulting increases in average auction sizes	133	71	29	-
Resulting change in average auction sizes since April	-20	-14	-2	-5

5. First coupon periods

The new gilt maturing on 7 September 2037 will pay a short first coupon on 7 March 2017.

NOTES FOR EDITORS

Gilt sales of £131.5 billion (cash) are planned in the DMO's financing remit for 2016-17. Cumulative proceeds at 31 August 2016 were £57.9 billion. Progress versus remit plans and the current average (cash) sizes of gilt auctions are shown in the table below:

Gilt sales relative to remit plans at 31 August 2016					
	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction proceeds to-date	13,614	7,337	11,099	6,519	38,569
PAOF proceeds to-date	1,668	1,097	633	271	3,669
Auction and PAOF proceeds to-date	15,282	8,434	11,732	6,790	42,238
Syndication sales to-date	0	0	5,033	9,714	14,747
Gilt tender sales to date	0	0	912	0	912
Total gilt sales to date	15,282	8,434	17,678	16,504	57,897
Auction sales required to meet plans	16,518	17,266	15,768	7,710	57,262
Number of auctions remaining	6	7	7	6	26
Current average auction sizes	2,753	2,467	2,253	1,285	
Planned gilt sales at auctions	31,800	25,700	27,500	14,500	99,500
Number of auctions scheduled	11	10	12	11	44
Minimum syndication sales plan	-	-	9,500	17,500	27,000
Syndication sales required to meet minimum plan	-	-	4,467	7,786	12,253
Remaining unallocated sales					4,088
Balance of total supplementary gilt sales					16,341
Total planned supplementary gilt sales					32,000
Total planned gilt sales					131,500
Required gilt sales remaining					73,603
<i>PAOF as % of auction proceeds</i>	<i>12.3%</i>	<i>15.0%</i>	<i>5.7%</i>	<i>4.2%</i>	<i>9.5%</i>

This press notice will be appearing on the DMO's website at: www.dmo.gov.uk