

## **PRESS NOTICE**

### **CALENDAR OF STERLING TREASURY BILL TENDERS FOR JANUARY TO MARCH 2008 AND ANNOUNCEMENT OF THE CREATION OF COLLATERAL**

In the fourth quarter of the 2007-08 financial year, the United Kingdom Debt Management Office (DMO) will hold weekly tenders, at which the Treasury bills on offer will include both one-month (approximately 28 days) and three-month (approximately 91 days) bills. In addition, the DMO intends to continue to hold monthly tenders for six-month bills (approximately 182 days).

The precise quantities and maturities of Treasury bills on offer will be announced alongside the results of the tender in the week prior to the relevant tender. The DMO expects the nominal amounts of three and six-month bills on offer at each tender to remain relatively stable. The tender and settlement dates for the tenders to be held in the January to March 2008 period are set out below. Please note that, because of the timing of Easter, a tender will be held on Thursday 20 March 2008, for settlement on Tuesday 25 March 2008.

<u>Tender date</u>	<u>Settlement date</u>
4 January	7 January
11 January	14 January
18 January	21 January
25 January	28 January
1 February	4 February
8 February	11 February

15 February	18 February
22 February	25 February
29 February	3 March
7 March	10 March
14 March	17 March
20 March	25 March
28 March	31 March

The next quarterly notice outlining the maturities of Treasury bills to be made available at tenders in the period from April to June 2008 will be issued alongside the results of the tender to be held on 28 March 2008.

## **COLLATERAL FOR CASH MANAGEMENT OPERATIONS**

The DMO also announces that on Wednesday, 16 January 2008, in accordance with paragraph 6.10 of the 2007-08 DMO Exchequer Cash Management remit, an additional £5,000 million (cash amount) comprising both gilts (excluding gilts maturing within one year, double-dated, undated and rump issues) and Treasury bills will be created and issued to the DMO for use as collateral in the DMO's cash management operations.

The precise nominal amount of each individual gilt to be created as well as the details of the Treasury bills to be created, will be published at 3:30pm on Wednesday 9 January 2008. At that time, a table will be published on the DMO's website showing the nominal amounts to be issued and the revised nominal amounts outstanding (rounded to the nearest £1 million nominal). The size of each gilt to be created will be designed to minimise as much as possible any impact on the weightings of relevant gilt indices

This additional collateral will be held on the Debt Management Account by the DMO. Specific gilts will not be made available to the repo market for a period of 3 months, during which time these new issues will be used only in Delivery by Value ("DBV") transactions. The additional Treasury bills will also only be used in DBV transactions.

## **NOTE TO EDITORS**

Each quarter the DMO publishes a timetable of Treasury bill tenders for the quarter ahead, and an indication of likely maturities. It was announced, along with the Pre-Budget Report 2007 on 9 October 2007, that the stock of Treasury bills in market hands is scheduled to fall by £0.1 billion in 2007-08. This takes the planned level of Treasury bill stock at end-March 2008 to £15.5 billion.

Provisions relating to the creation of collateral are set out in Paragraph 6.10 of the 2007-08 DMO Exchequer Cash Management remit, which provides for the issue, on the third Wednesday of April, July and October 2007 and January 2008, of a combination of gilts and Treasury bills, to be used only as collateral in the DMO's cash management operations.

Paragraph 6.10 of the DMO Exchequer Cash Management remit requires that the DMO gives advance notice whether any collateral is to be created or not.

Further information on Treasury bill issuance may be found in the Exchequer Cash Management Operational Notice, which was published by the DMO on 11 September 2003. The Operational Notice and this press release are available on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk).