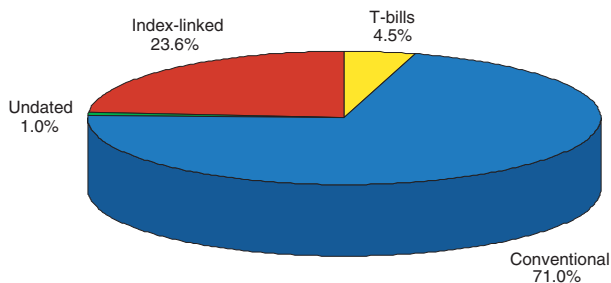


July – September 2003

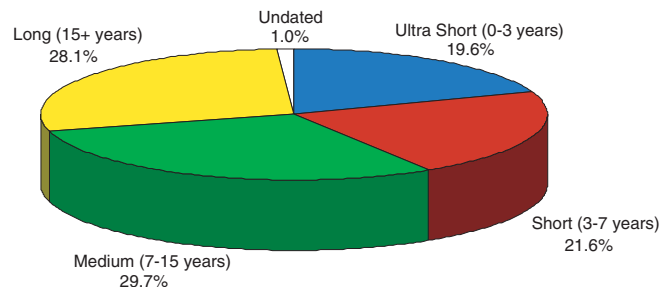
Details of the gilt portfolio as of 30 September 2003

Gilt portfolio summary statistics	30 June 2003	30 September 2003
Nominal value of the gilt portfolio (including inflation uplift)	£295.28 bn	£308.39 bn
Market value of the gilt portfolio	£335.43 bn	£342.32 bn
Weighted average market yields:		
• Conventional gilts	4.04%	4.39%
• Index-linked gilts	1.69%	1.82%
Portfolio average maturity	11.50 years	11.58 years
Average modified duration:		
• Conventional gilts	7.24 years	7.24 years
• Index-linked gilts	10.98 years	10.90 years
Average coupon on conventional gilts (weighted by market value)	6.63%	6.49%
Average nominal amount outstanding of largest 20 gilts (including inflation uplift)	£10.91 bn	£11.33 bn

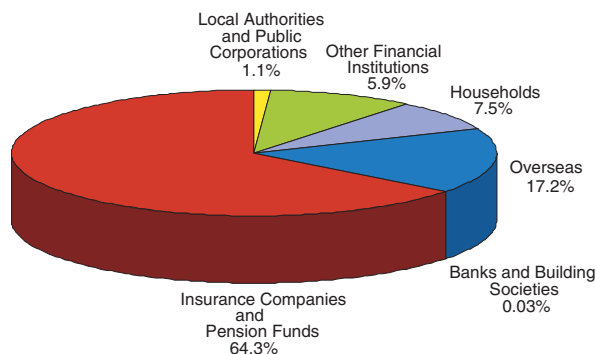
Composition of debt stock



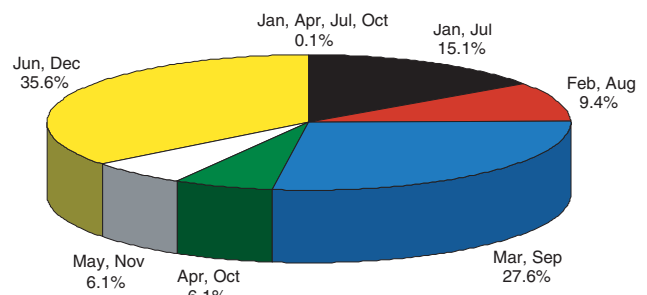
Debt portfolio maturity split



Distribution of holdings at 30 June 2003



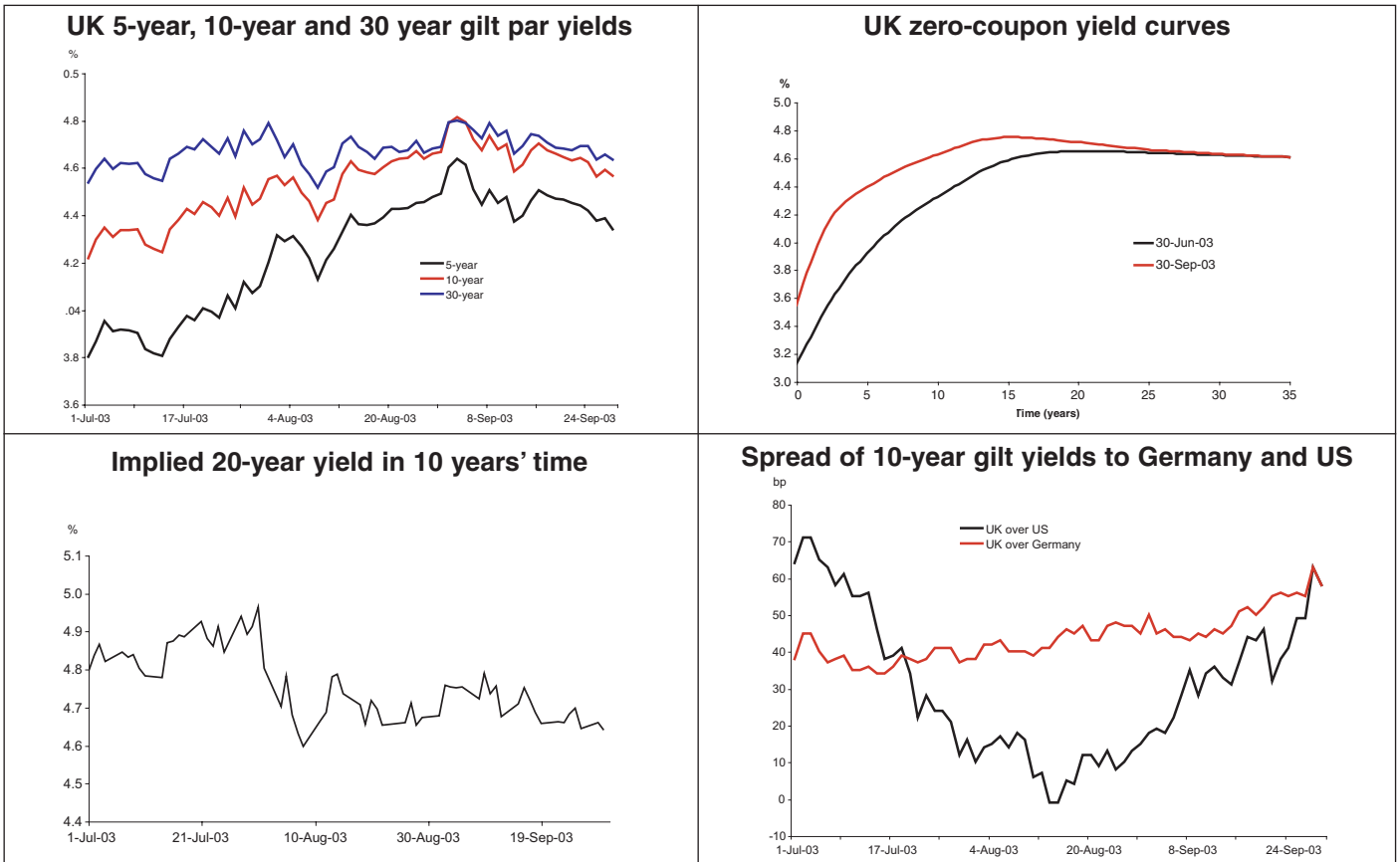
Gilt coupon payment series



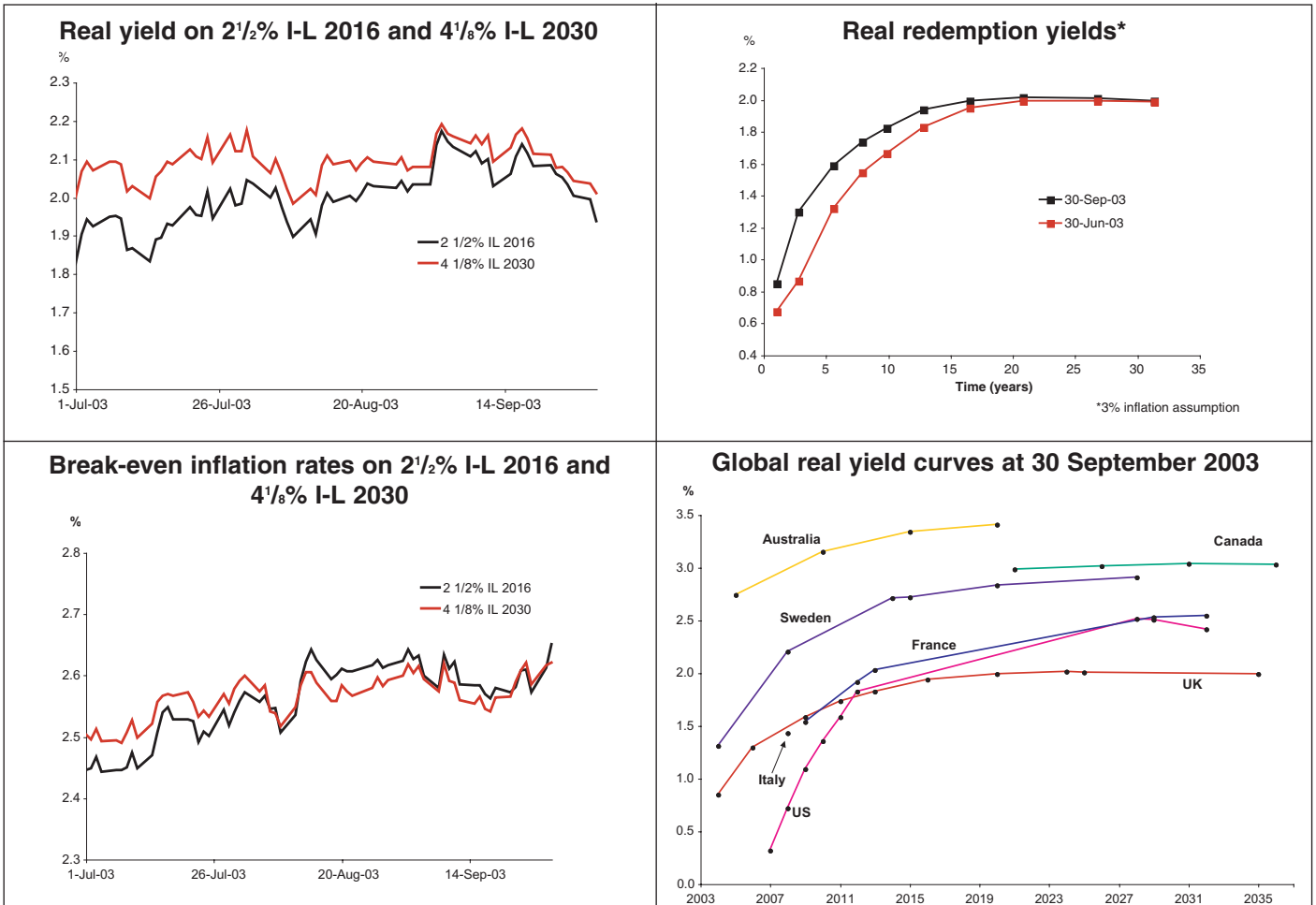
Figures in the pie charts may not sum due to rounding



Conventional gilts



Index-linked gilts



Gilt market flows (£mn)

	Issuance at auctions (cash)	Redemptions	Coupons	Net financing from gilts after redemptions and coupons
Oct-02	3,695	1,836	510	1,349
Nov-02	73	16	542	-484
Dec-02	2,838	0	3,931	-1,093
Jan-03	3,796	156	939	2,701
Feb-03	2,685	0	608	2,077
Mar-03	2,588	0	1,573	1,015
Apr-03	3,598	0	441	3,157
May-03	5,702	4,255	553	894
Jun-03	6,661	6,580	3,941	-3,860
Jul-03	5,608	506	919	4,183
Aug-03	3,189	0	612	2,577
Sep-03	5,706	1,765	2,131	1,810
Oct-03	N/A	0	445	-
Nov-03	N/A	98	506	-
Dec-03	N/A	7,779	3,642	-

Numbers may not sum due to rounding

Outright auction results						
Auction date	Gilt	Issue amount (nominal)	Cover	Yield tail (basis points)	Average accepted price	Yield at average accepted price
02-Jul-03	4½% 2036	£2,250mn	1.51	2	£93.86	4.62%
16-Jul-03	2½% IL 2013	£425mn	2.00	N/A ^a	£213.25	1.77%
29-Jul-03	5% 2014	£2,500mn	2.67	0	£103.68	4.57%
14-Aug-03	4% 2009	£3,250mn	2.03	0	£98.12	4.38%
10-Sep-03	4½% 2036	£2,500mn	2.05	1	£91.39	4.77%
23-Sep-03	2% IL 2035	£650mn	2.73	N/A ^a	£100.70	2.09%
25-Sep-03	4½% 2015	£2,750mn	2.22	0	£100.66	4.68%

^a Index-linked gilts are issued through a uniform price format.

Outturn against the 2003-04 gilts remit as at 30 September 2003

(£ mn)	Conventional gilts			Index-linked gilts	Total
	Short (0-7 years)	Medium (7-15 years)	Long (>15 years)		
Remit plans	16,400	13,200	11,300	6,500	47,400
Outright sales	9,944	10,658	6,607	3,255	30,463
Remaining	6,456	2,542	4,693	3,245	16,937

2002-03 and 2003-04 financing requirements

<i>Figures may not sum due to rounding</i> (£ bn)	PBR 2002 Financing requirement for 2002-03	Budget 2003 Financing requirement for 2003	2002-03 Outturn	Budget 2003 Financing requirement for 2002-03
CGNCR forecast	18.7	21.4	21.5	35.3
Replacing foreign currency debt	0.0	0.0	0.0	0.0
Redemptions	17.0	17.0	17.0	21.1
Debt buy-backs	0.3	0.4	0.4	0.0
Financing requirement	36.0	38.8	38.9	56.4
Less				
National Savings & Investments' contribution	-1.0	0.7	0.7	1.5
DMO cash deposit at Bank of England	-0.1	-0.2	-0.2	0.1
Net financing requirement	37.1	38.3	38.4	54.8
Change in Ways and Means	0.0	0.0	0.0	0.0
Change in planned Treasury bill stock	4.3	5.3	5.3	3.3
Change in level of DMO cash position	6.6	6.7	6.8	4.1
Gilt sales planned during year	26.2	26.3	26.3	47.4

Details of market activity

Top twenty stocks traded (by market value) in the thirteen weeks to 26 September 2003

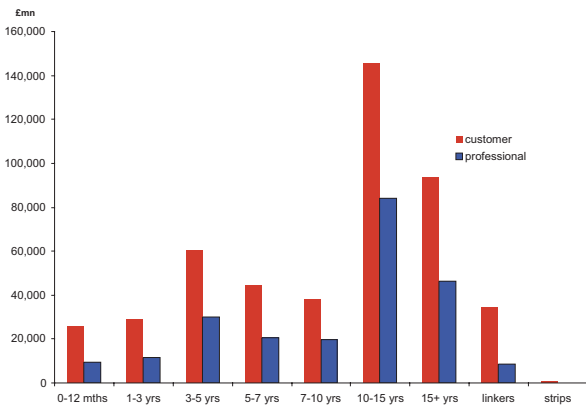
Stock	Market value of trades (£mn)	% of value of all gilt trades	Turnover Ratio ^a	Number of bargains ('000s)	Average bargain size (£mn)
8% Treasury 2013	107,585	17%	14	5	22
5% Treasury 2014	53,757	9%	4	7	8
5% Treasury 2008	45,766	7%	3	8	6
4¼% Treasury 2032	40,023	6%	3	6	7
5% Treasury 2012	38,024	6%	3	10	4
8% Treasury 2015	34,601	6%	4	5	7
4% Treasury 2009	33,353	5%	3	8	4
8½% Treasury 2005	26,511	4%	2	4	7
8% Treasury 2021	26,368	4%	1	6	4
6% Treasury 2028	21,913	4%	2	5	5
6½% Treasury 2003	20,507	3%	3	3	8
4¼% Treasury 2036	20,434	3%	2	3	8
5¾% Treasury 2009	20,362	3%	2	11	2
7¼% Treasury 2007	18,424	3%	1	5	3
7½% Treasury 2006	15,489	2%	1	5	3
5% Treasury 2025	12,989	2%	1	2	7
5% Treasury 2004	11,098	2%	1	3	4
6¾% Treasury 2004	10,001	2%	2	4	3
9% Conversion 2011	9,557	2%	1	1	9
8¾% Treasury 2017	8,315	1%	1	1	7
Total market	623,261			133	5

The top twenty stocks account for 92% of total market turnover.

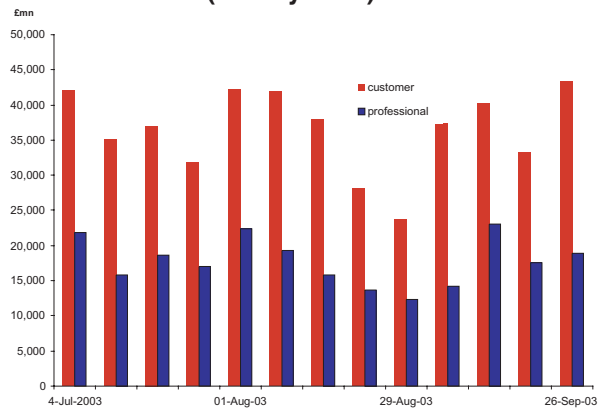
This information is based on provisional information provided by the London Stock Exchange and should only be treated as indicative.

^a The total nominal value of the stock traded over the quarter relative to the nominal amount outstanding at the end of the quarter.

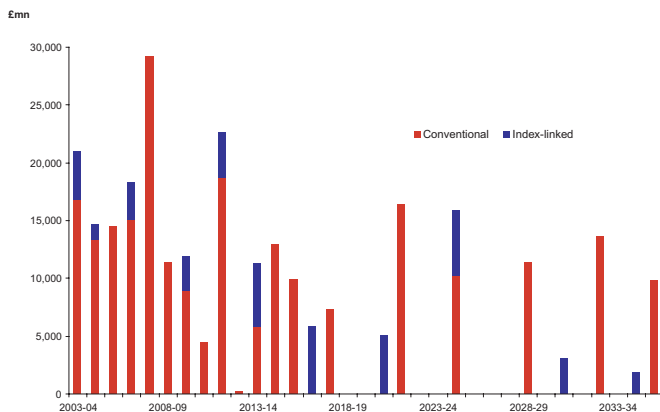
GEMM turnover by maturity band, Q3 2003



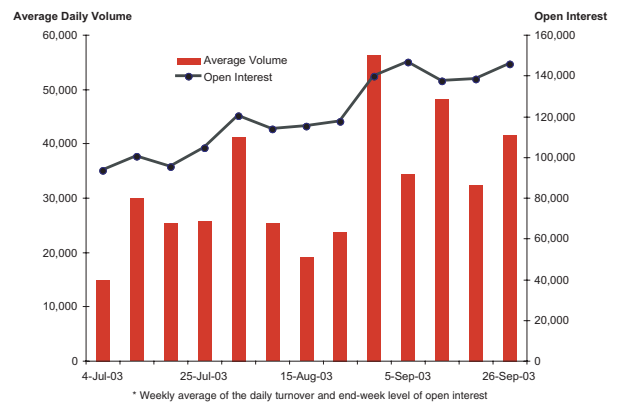
Total GEMM market turnover (weekly total)



Gilt redemptions (net of government holdings)



Average daily turnover of the long gilt futures contract and open interest*



* Weekly average of the daily turnover and end-week level of open interest

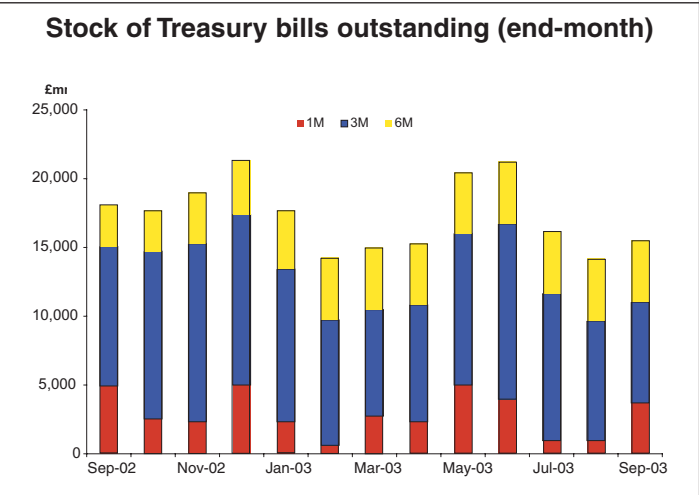
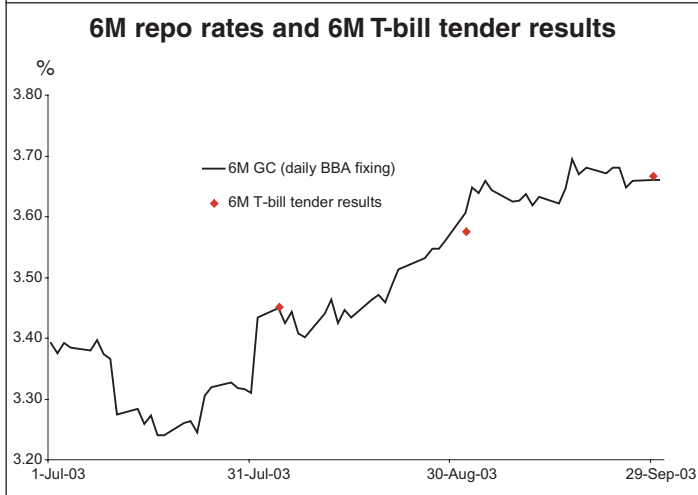
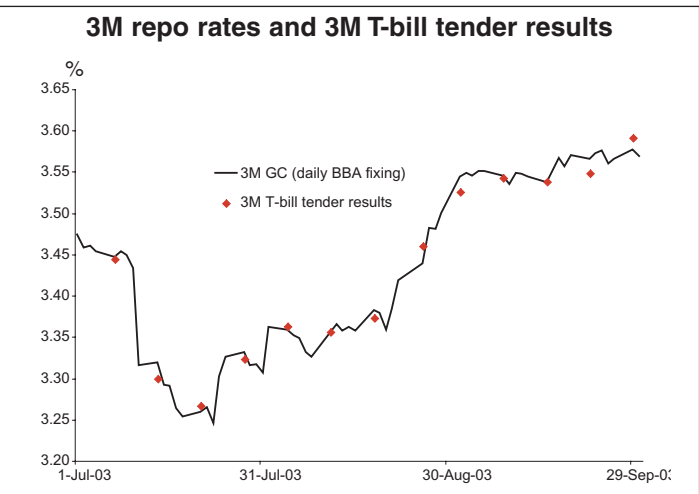
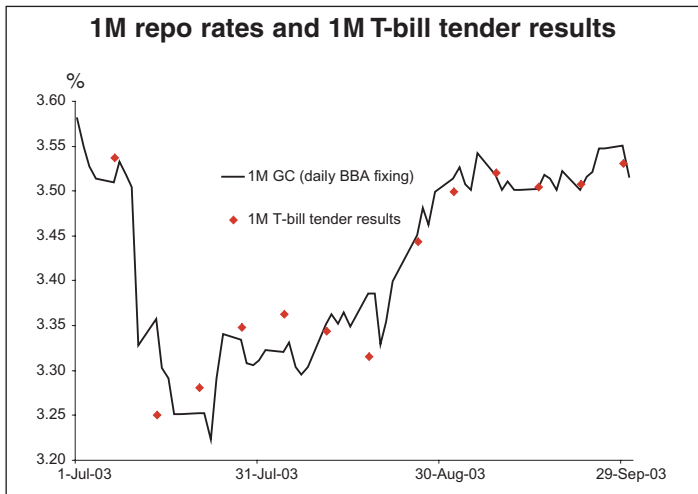
Source: LIFFE

Stocks in issue at 30 September 2003 (£mn nominal)

Conventional gilts	Redemption date	Amount in issue	Amount held in stripped form	DMO/CRND* Holdings
6½% Treasury 2003	07-Dec-03	8,095	86	316
5% Treasury 2004	07-Jun-04	7,504	11	465
6¾% Treasury 2004	26-Nov-04	6,597	-	477
9½% Conversion 2005	18-Apr-05	4,469	-	102
8½% Treasury 2005	07-Dec-05	10,486	74	313
7¾% Treasury 2006	08-Sep-06	3,955	-	439
7½% Treasury 2006	07-Dec-06	11,807	213	275
8½% Treasury 2007	16-Jul-07	4,638	-	370
7¼% Treasury 2007	07-Dec-07	11,103	150	241
5% Treasury 2008	07-Mar-08	14,221	34	140
5½% Treasury 2008/2012	10-Sep-08	1,026	-	182
4% Treasury 2009	07-Mar-09	10,000	0	3
5¾% Treasury 2009	07-Dec-09	8,937	79	357
6¼% Treasury 2010	25-Nov-10	4,958	-	477
9% Conversion 2011	12-Jul-11	5,396	-	205
7¾% Treasury 2012/2015	26-Jan-12	805	-	339
5% Treasury 2012	07-Mar-12	13,346	5	235
8% Treasury 2013	27-Sep-13	6,181	-	386
5% Treasury 2014	07-Sep-14	13,050	37	57
4¾% Treasury 2015	07-Sep-15	2,750	-	1
8% Treasury 2015	07-Dec-15	7,377	474	172
8¾% Treasury 2017	25-Aug-17	7,751	-	380
8% Treasury 2021	07-Jun-21	16,741	235	346
5% Treasury 2025	07-Mar-25	10,422	0	177
6% Treasury 2028	07-Dec-28	11,756	197	309
4¼% Treasury 2032	07-Jun-32	13,829	209	251
4¼% Treasury 2036	07-Mar-36	9,750	0	3
Index-linked gilts	Redemption date	Amount in issue	Nominal including inflation uplift	DMO/CRND* Holdings
4³⁄₈% I-L Treasury 2004	21-Oct-04	1,338	1,760	38
2% I-L Treasury 2006	19-Jul-06	2,037	5,230	37
2½% I-L Treasury 2009	20-May-09	3,098	7,017	74
2½% I-L Treasury 2011	23-Aug-11	3,942	9,433	70
2½% I-L Treasury 2013	16-Aug-13	5,597	11,194	105
2½% I-L Treasury 2016	26-Jul-16	6,055	13,235	169
2½% I-L Treasury 2020	16-Apr-20	5,093	10,951	68
2½% I-L Treasury 2024	17-Jul-24	5,751	10,505	112
4¹⁄₈% I-L Treasury 2030	22-Jul-30	3,171	4,187	71
2% I-L Treasury 2035	26-Jan-35	2,500	2,569	0
Undated gilts (non-rump)	Redemption date	Amount in issue		DMO/CRND* Holdings
2½% Treasury	Undated	493		22
3½% War	Undated	1,939		30
Rump gilts	Redemption date	Amount in issue		DMO/CRND* Holdings
12½% Treasury 2003/2005	21-Nov-03	152		63
13½% Treasury 2004/2008	26-Mar-04	96		25
10% Treasury 2004	18-May-04	20		6
9½% Conversion 2004	25-Oct-04	307		149
10½% Exchequer 2005	20-Sep-05	24		16
9¾% Conversion 2006	15-Nov-06	6		3
9% Treasury 2008	13-Oct-08	687		131
8% Treasury 2009	25-Sep-09	393		110
9% Treasury 2012	06-Aug-12	403		156
12% Exchequer 2013/2017	12-Dec-13	58		9
4% Consolidated	Undated	358		38
2½% Consolidated	Undated	272		47
3½% Conversion	Undated	90		73
3% Treasury	Undated	53		6
2½% Annuities	Undated	3		0.4
2¾% Annuities	Undated	1		0.3

It is assumed that double-dated issues (which have not been called) currently trading above par will be redeemed at the first maturity date.

* Includes holdings by the Commissioners for the Reduction of the National Debt (CRND) and the DMO. Excludes local authority, public corporations and Bank of England holdings.



Treasury bill tender results Q3 2003

Tender date	Stock amount (£mn)	Average yield (%)	Average price (£)	Cover	Yield tail (bp)
1 month T-bills					
4-Jul-03	500	3.5373	99.7294	4.81	0
11-Jul-03	150	3.2500	99.7513	8.64	0
18-Jul-03	150	3.2808	99.7490	8.78	2
25-Jul-03	150	3.3480	99.7347	6.93	3
1-Aug-03	150	3.3649	99.7425	7.79	1
8-Aug-03	150	3.3438	99.7441	8.39	1
15-Aug-03	150	3.3160	99.7463	7.45	4
22-Aug-03	500	3.4436	99.7459	7.28	1
29-Aug-03	1,000	3.4988	99.7323	7.03	0
5-Sep-03	1,000	3.5198	99.7307	6.52	0
12-Sep-03	1,000	3.5042	99.7319	8.05	1
19-Sep-03	700	3.5081	99.7316	8.46	0
26-Sep-03	700	3.5305	99.7299	6.65	2
3 month T-bills					
04-Jul-03	500	3.4443	99.1486	8.83	1
11-Jul-03	500	3.2995	99.1841	9.81	2
18-Jul-03	500	3.2672	99.1920	8.58	0
25-Jul-03	500	3.3236	99.1782	7.32	1
1-Aug-03	500	3.3626	99.1686	7.80	1
8-Aug-03	500	3.3565	99.1701	8.49	0
15-Aug-03	500	3.3732	99.1660	7.41	2
22-Aug-03	500	3.4597	99.1541	6.94	2
29-Aug-03	500	3.5256	99.1287	6.44	0
5-Sep-03	700	3.5431	99.1244	6.81	1
12-Sep-03	700	3.5386	99.1255	7.19	1
19-Sep-03	700	3.5479	99.1232	7.28	1
26-Sep-03	1,000	3.5909	99.1127	4.90	1
6 month T-bills					
1-Aug-03	750	3.4511	98.3083	7.21	1
29-Aug-03	750	3.5753	98.2485	6.19	0
26-Sep-03	750	3.6667	98.2045	6.01	1

Calendar for Q4 2003

October	
7	Announcement of the size of the auction of 4% Treasury Stock 2009.
14	Announcement of the size of the auction of 2½% Index-linked Treasury Stock 2011.
15	Auction of 4% Treasury Stock 2009.
21	Announcement of the size of the auction of 4¼% Treasury Stock 2015.
23	Auction of 2½% Index-linked Treasury Stock 2011.
29	Auction of 4¼% Treasury Stock 2015.

November	
18	Announcement of the size of the auction of 4¼% Treasury Stock 2036.
25	Auction of 4¼% Treasury Stock 2036.

December	
2	Announcement of the size of the auction of 2% Index-linked Treasury Stock 2035.
8	Consultation meeting with end investors (4:00pm) and GEMMs (5:00pm).
9	Publication of minutes of consultation meetings.
10	Auction of 2% Index-linked Treasury Stock 2035.
19	Publication of calendar for Treasury bill tenders for January-March 2004.
19	Publication of the gilt issuance calendar for January-March 2004.

Note: Auction dates subject to confirmation following the Chancellor's decisions on the Budgetary timetable.

DMO wire service pages

Information	Reuters	Bridge	Moneyline Telerate	Topic	Bloomberg
Index	DMO/INDEX	K:2366	21290	44799	DMO<GO>
Announcements	DMO/GILTS1 to 9	K:3327-K:3335	22550 to 22556	44700 to 44712	DMO1<GO>
Shop window general info	DMO/GILTS10	K:3336	6517	44717	DMO3<GO>
Shop window 1	DMO/GILTS11	K:3337	6518	44718	DMO3,GO>
Benchmark prices	DMO/BENCH1	K:3338	22557	44720 to 44721	DMO2<GO>
GEMMA ref prices (Conventionals)	GEMMA01 to 04	K:3358-K:3361	47216 to 47219	44800 to 44802	DMO5<GO>
GEMMA ref prices (I-L)	GEMMA08	K:3365	47223	44805	DMO5<GO>
GEMMA ref prices (Strips)	GEMMA13 to 22	K:3370-K:3379	21291 to 21300	44850 to 44864	DMO6<GO>
Cash announcements	DMO/CASH01	K:2367	15700 to 15709	44660 to 44669	DMO8<GO>
T-bill tender information	DMO/CASH11	K:2377	15710 to 15711	44670 to 44671	DMO9<DMO>
Ad-hoc tender information	DMO/CASH16	K:2382	15715 to 15716	44675 to 44676	DMO10<GO>
T-bill reference prices	DMO/TBILLS01	K:2387	15720 to 15724	44900 to 44909	DMO11<GO>

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Updated data, press releases and other information are available on the DMO website at www.dmo.gov.uk
 Comments on this publication and the website would be welcomed by Sarah Ellis, Mark Deacon or Jenny Boyle.