



QUARTERLY *Review*

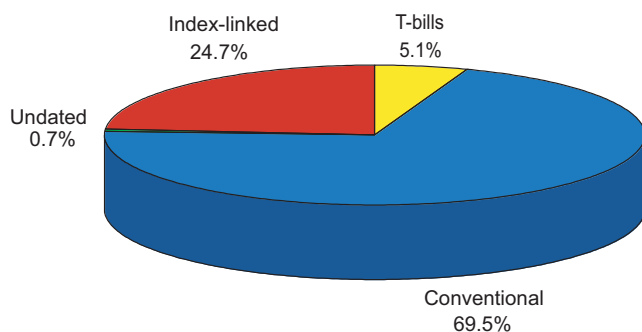
The United Kingdom Debt Management Office is an Executive Agency of HM Treasury

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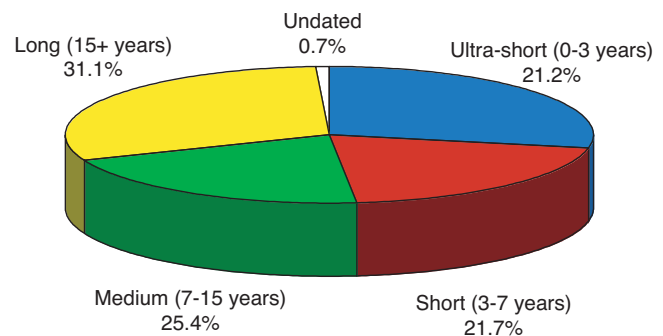
Details of the debt portfolio at 30 December 2005

Gilt portfolio summary statistics	30 September 2005	30 December 2005
Nominal value of the gilt portfolio (including inflation uplift)	£387.61 bn	£398.49 bn
Market value of the gilt portfolio	£431.62 bn	£450.95 bn
Weighted average market yields:		
• Conventional gilts	4.24%	4.10%
• Index-linked gilts	1.44%	1.27%
Portfolio average maturity:	12.82 years	13.09 years
• Conventional gilts	12.15 years	12.79 years
• Index-linked gilts	13.66 years	13.90 years
Average modified duration:		
• Conventional gilts	7.81 years	8.10 years
• Index-linked gilts	11.13 years	11.89 years
Average coupon on conventional gilts (weighted by market value)	5.93%	5.79%
Average nominal amount outstanding of largest 20 gilts (including inflation uplift)	£13.88 bn	£14.45 bn

Composition of debt stock*



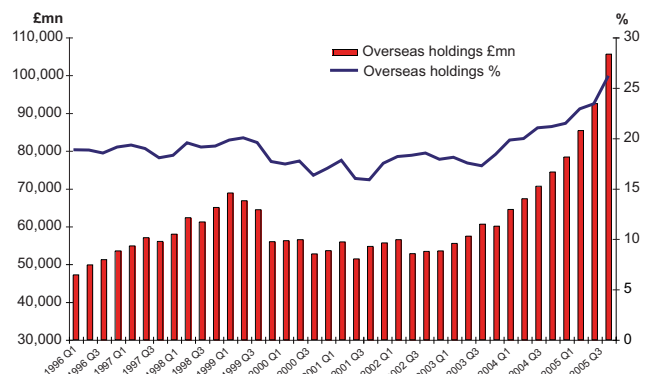
Debt portfolio maturity split*



Distribution of gilt holdings at 30 September 2005

(£ millions)	at end Q2 2005	Q3 2005
Insurance Companies and Pension Funds	231,119	231,488
Overseas	92,496	105,541
Other financial institutions	35,678	36,062
Households	38,977	34,540
Local Authorities and Public Corporations	2,367	2,427
Building Societies	1,082	1,234
Banks**	-5,087	-4,677
TOTAL	396,632	406,615

Overseas holdings of gilts



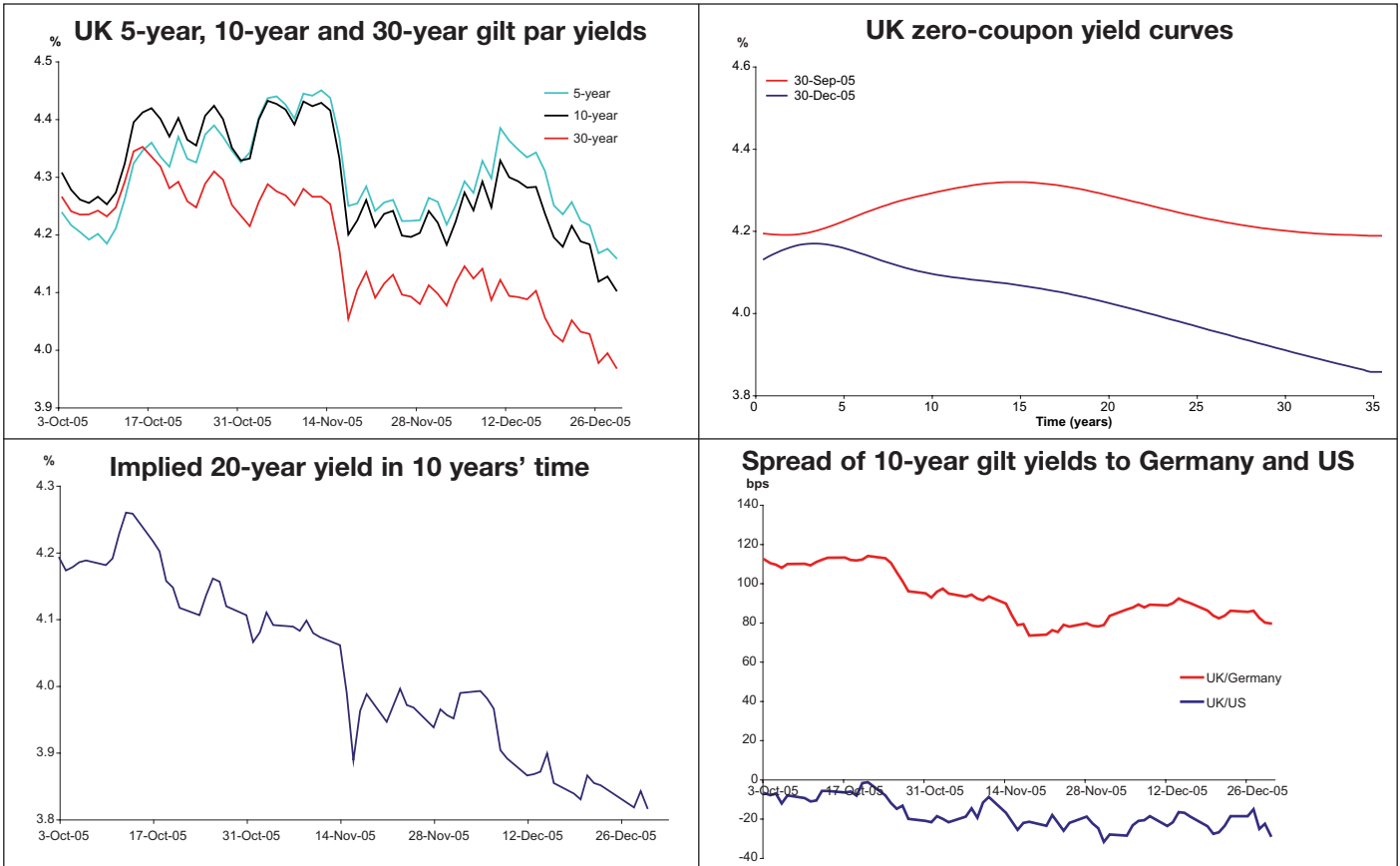
Source: ONS. Note: These figures can be revised retrospectively.

Source: ONS

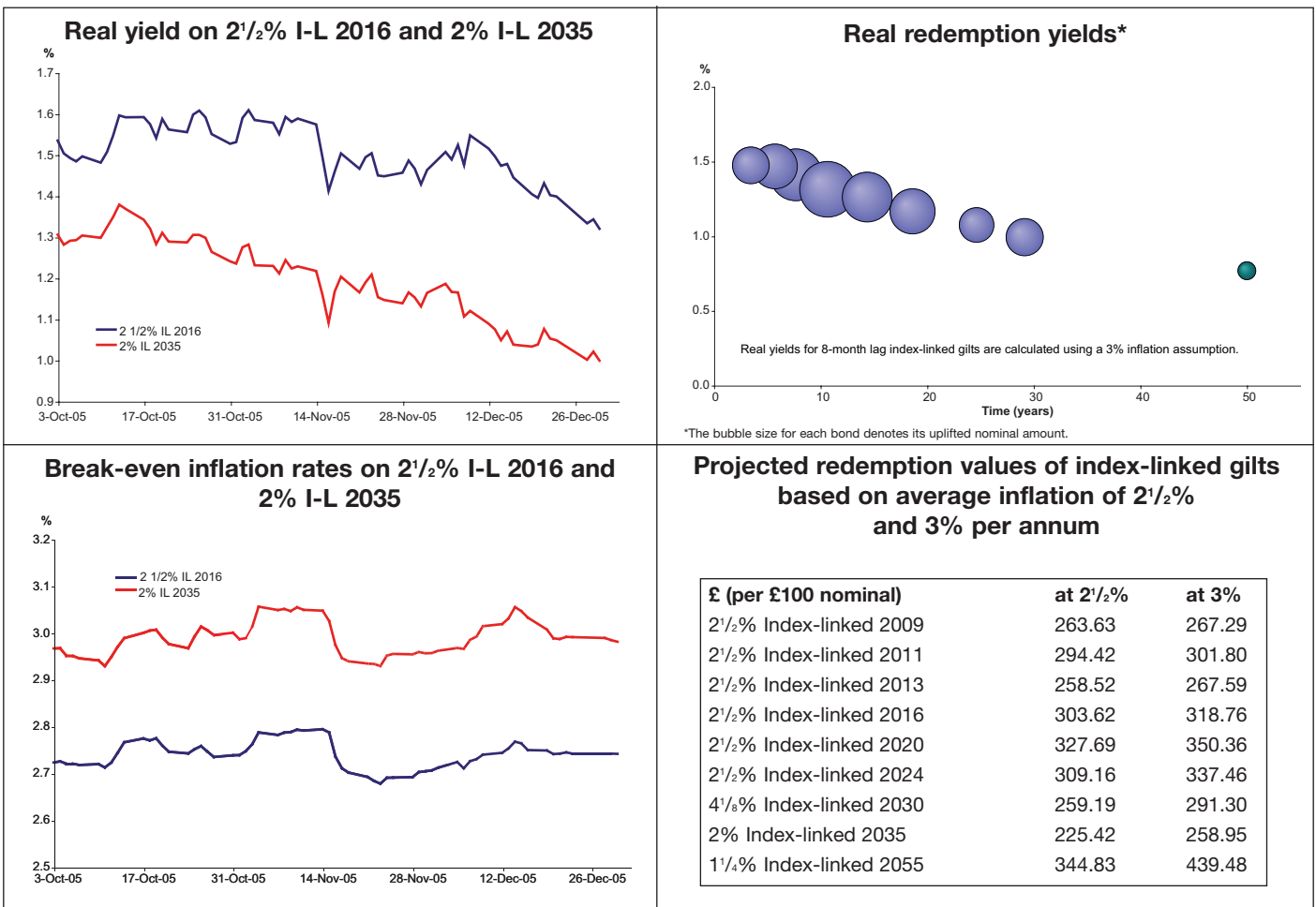
* Figures in the pie charts may not sum due to rounding.

** Repo position.

Conventional gilts



Index-linked gilts



Gilt market flows (£mn)

	Gross gilt issuance (cash)	Redemptions	Coupons*	Net financing from gilts after redemptions and coupons
Mar-05	3,308	0	-2,877	431
Apr-05	6,572	-4,374	-403	1,795
May-05	3,583	0	-247	3,336
Jun-05	3,853	0	-3,818	35
Jul-05	3,249	0	-876	2,373
Aug-05	2,967	0	-599	2,368
Sep-05	6,957	-2	-3,722	3,233
Oct-05	3,417	0	-176	3,241
Nov-05	4,410	0	-256	4,154
Dec-05	3,219	-10,176	-4,066	-11,023
Jan-06	N/A	0	-1,154	-
Feb-06	N/A	0	-720	-
Mar-06	N/A	0	-3,435	-

Figures may not sum due to rounding
** Coupon flow numbers are for the stock of debt outstanding at end-quarter.*

Results of gilt auctions						
Auction date	Gilt	Issue amount (nominal)	Cover	Yield tail (basis points)	Average accepted price	Yield at average accepted price
13-Oct-05	4¼% 2032	£2,750mn	1.52	1	£98.60	4.34%
25-Oct-05	1¼% IL 2055	£675mn	1.70	N/A ^a	£104.61 ^b	1.13%
08-Nov-05	4¼% 2011	£3,250mn	1.78	1	£98.98	4.47%
24-Nov-05	2½% IL 2013	£525mn	3.26	N/A ^a	£227.41	1.58%
07-Dec-05	4¼% 2055	£2,250mn	1.95	0	£104.68	4.03%
14-Dec-05	4⅞% IL 2030	£375mn	2.47	N/A ^a	£230.33	1.15%

^a Index-linked gilts are issued through a uniform price format. ^b This is the real clean price.

Progress against the 2005-2006 financing remit at 30 December 2005

(£ mn cash)	Conventional gilts			Index-linked gilts	Total
	Short (0-7 years)	Medium (7-15 years)	Long (>15 years)		
Remit plans	12,300	11,300	17,900	10,800	52,300
Outright sales	9,210	5,759	15,211	8,047	38,227

2004-05 and 2005-06 financing requirements

<i>Figures may not sum due to rounding</i>	2004-05 Outturn	2005-06 Budget	2005-06 Revised 20 April 2005	2005-06 Pre-Budget Report
(£ bn)				
CGNCR forecast	38.6	40.2	40.2	43.3
Redemptions	14.7	14.5	14.6	14.6
Financing for the Official Reserves	0.0	0.0	0.0	0.0
Debt buy-backs	0.1	0.0	0.0	0.0
Planned short-term financing adjustment	-2.9	1.3	-2.7	-2.5
Gross financing requirement	50.5	56.0	52.1	55.4
Less				
National Savings & Investments' contribution	1.9	3.5	3.5	4.2
Net financing requirement	48.6	52.5	48.6	51.2
Gilt sales planned during the year	50.1	53.5	51.1	52.3
Change in planned Treasury bill stock	1.0	-1.0	-2.5	-1.1
Change in Ways and Means	0.0	0.0	0.0	0.0
DMO net cash position at end of financial year	2.7	0.2	0.2	0.2

Details of market activity

Top twenty gilts traded (by market value) in the thirteen weeks to 30 December 2005

Gilt	Market value of trades (£mn)	% of value of all gilt trades	Turnover ratio ^a	Number of bargains ('000s)	Average bargain size (£mn)
5% Treasury Stock 2014	166,370	21%	11	12	14
4¾% Treasury Stock 2015	94,998	12%	7	12	8
4¼% Treasury Stock 2036	52,032	6%	3	6	9
4% Treasury Stock 2009	45,673	6%	3	6	7
5% Treasury Stock 2008	35,819	4%	2	5	7
4¾% Treasury Stock 2010	32,741	4%	2	5	7
4½% Treasury Stock 2007	32,469	4%	3	3	11
5% Treasury Stock 2012	32,228	4%	2	8	4
4¼% Treasury Stock 2032	31,771	4%	2	5	6
5% Treasury Stock 2025	28,510	4%	2	4	8
8% Treasury Stock 2021	26,104	3%	1	6	4
8% Treasury Stock 2015	21,147	3%	2	1	19
7½% Treasury Stock 2006	20,241	3%	1	3	8
6% Treasury Stock 2028	18,777	2%	1	3	7
5¾% Treasury Stock 2009	16,212	2%	1	6	3
7¼% Treasury Stock 2007	15,560	2%	1	4	4
8% Treasury Stock 2013	13,456	2%	1	1	12
6¼% Treasury Stock 2010	12,496	2%	2	4	3
4¾% Treasury Stock 2038	10,236	1%	1	2	5
8½% Treasury Stock 2005 ^b	10,145	1%	1	1	8

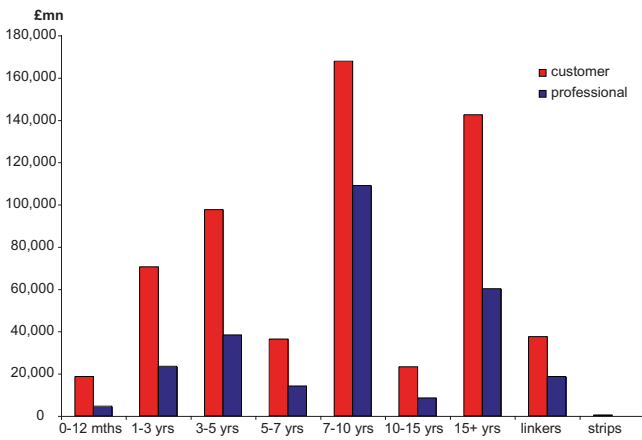
The top twenty gilts account for 89% of total market turnover.

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

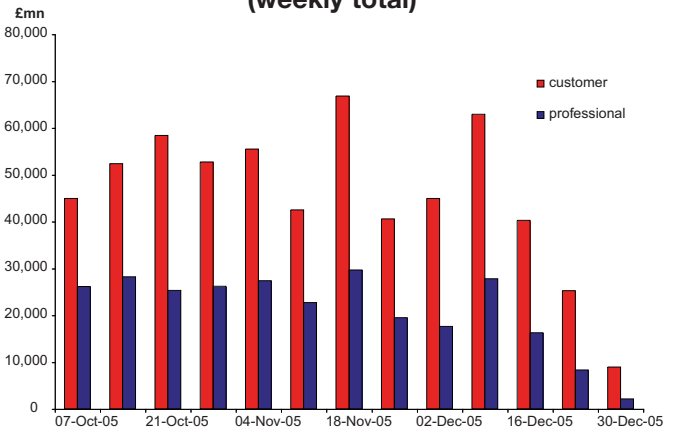
^a The total market value of the gilt traded over the quarter relative to the market value of the outstanding gilt at the end of the quarter.

^b Data up to redemption on 7 December 2005

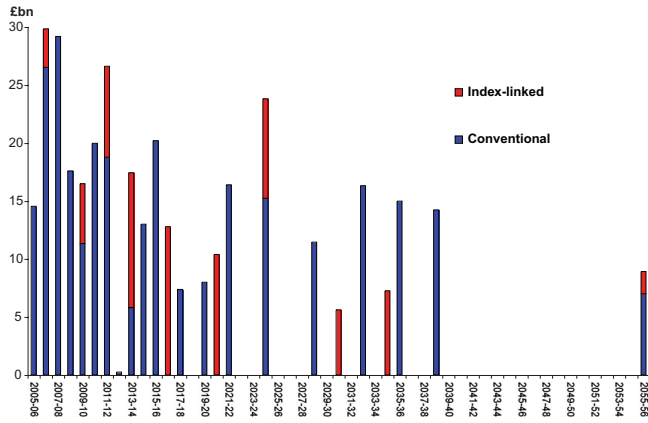
GEMM turnover by maturity band, Q4 2005



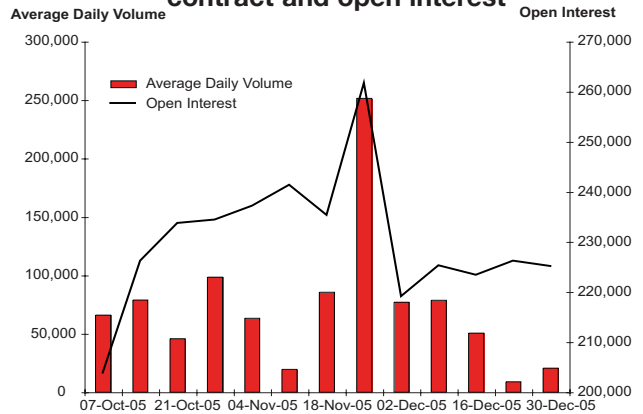
Total GEMM market turnover (weekly total)



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.

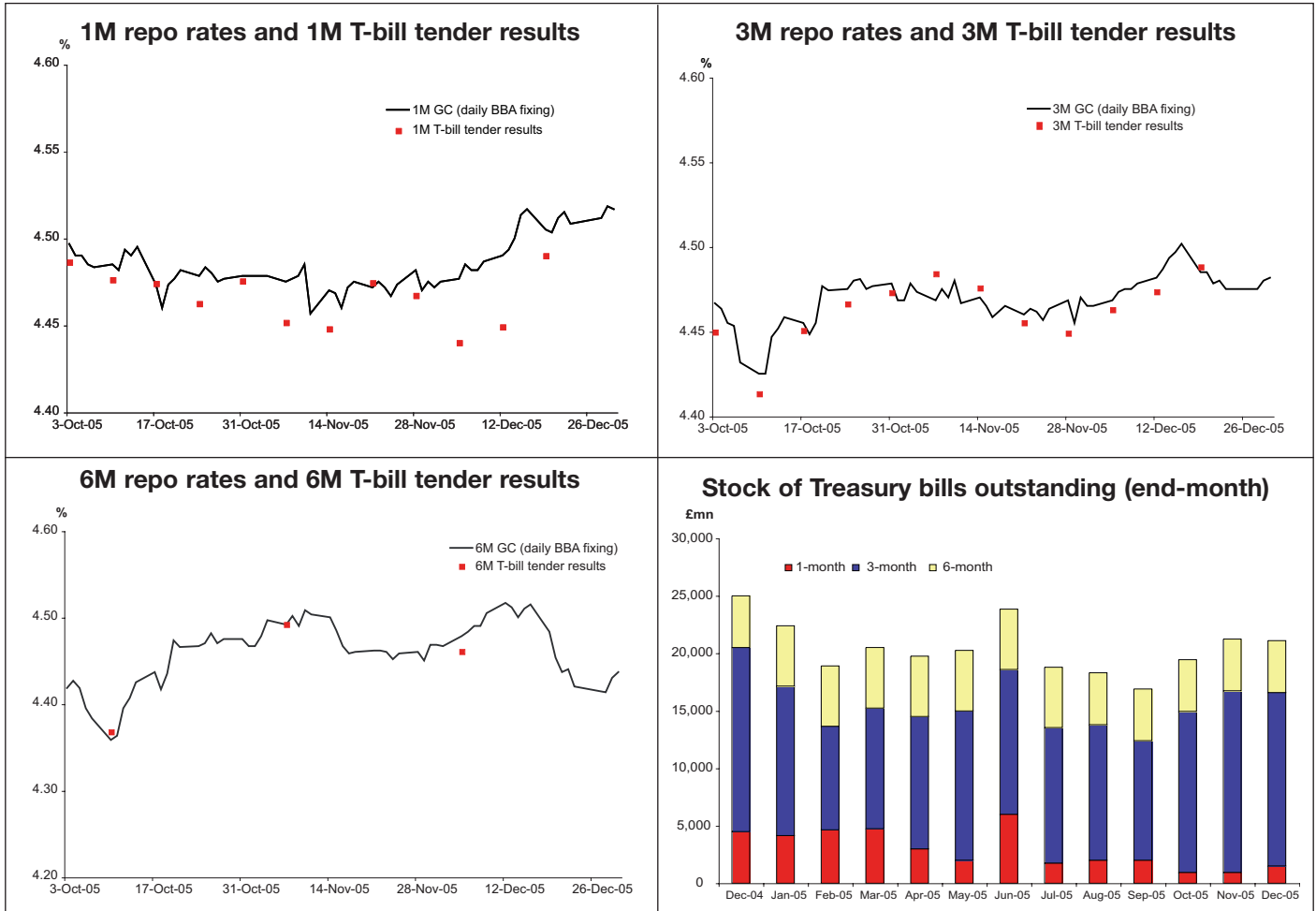
Source: LIFFE

Gilts in issue at 30 December 2005 (£mn nominal)

Conventional gilts	Redemption date	Amount in issue	Amount held in stripped form	DMO/CRND* Holdings
7 ³ / ₄ % Treasury Stock 2006	08-Sep-06	4,064	-	549
7 ¹ / ₂ % Treasury Stock 2006	07-Dec-06	12,394	171	862
4 ¹ / ₂ % Treasury Stock 2007	07-Mar-07	12,071	13	596
8 ¹ / ₂ % Treasury Loan 2007	16-Jul-07	4,869	-	601
7 ¹ / ₄ % Treasury Stock 2007	07-Dec-07	11,655	112	795
5% Treasury Stock 2008	07-Mar-08	14,928	14	873
5 ¹ / ₂ % Treasury Stock 2008/2012	10-Sep-08	1,026	-	183
4% Treasury Stock 2009	07-Mar-09	16,974	10	754
5 ³ / ₄ % Treasury Stock 2009	07-Dec-09	12,006	133	927
4 ³ / ₄ % Treasury Stock 2010	07-Jun-10	12,774	3	539
6 ¹ / ₄ % Treasury Stock 2010	25-Nov-10	5,205	-	724
4 ¹ / ₄ % Treasury Gilt 2011	07-Mar-11	3,250	-	0
9% Conversion Loan 2011	12-Jul-11	5,664	-	473
7 ³ / ₄ % Treasury Loan 2012/2015	26-Jan-12	804	-	339
5% Treasury Stock 2012	07-Mar-12	14,009	72	898
8% Treasury Stock 2013	27-Sep-13	6,489	-	694
5% Treasury Stock 2014	07-Sep-14	13,699	4	706
4 ³ / ₄ % Treasury Stock 2015	07-Sep-15	13,647	145	655
8% Treasury Stock 2015	07-Dec-15	7,744	139	539
8 ³ / ₄ % Treasury Stock 2017	25-Aug-17	8,136	-	765
4 ³ / ₄ % Treasury Stock 2020	07-Mar-20	8,243	0	248
8% Treasury Stock 2021	07-Jun-21	17,573	287	1,178
5% Treasury Stock 2025	07-Mar-25	16,188	218	945
6% Treasury Stock 2028	07-Dec-28	12,340	223	893
4 ¹ / ₄ % Treasury Stock 2032	07-Jun-32	17,326	639	998
4 ¹ / ₄ % Treasury Stock 2036	07-Mar-36	15,668	313	672
4 ³ / ₄ % Treasury Stock 2038	07-Dec-38	14,958	142	715
4 ¹ / ₄ % Treasury Gilt 2055	07-Dec-55	7,102	0	103
3 ¹ / ₂ % War Loan	Undated	1,939	-	31
Index-linked gilts	Redemption date	Amount in issue	Nominal including inflation uplift	DMO/CRND* Holdings
2% I-L Treasury Stock 2006	19-Jul-06	2,109	5,877**	109
2 ¹ / ₂ % I-L Treasury Stock 2009	20-May-09	3,304	8,038	280
2 ¹ / ₂ % I-L Treasury Stock 2011	23-Aug-11	4,631	11,902	359
2 ¹ / ₂ % I-L Treasury Stock 2013	16-Aug-13	7,347	15,781	530
2 ¹ / ₂ % I-L Treasury Stock 2016	26-Jul-16	7,696	18,067	636
2 ¹ / ₂ % I-L Treasury Stock 2020	16-Apr-20	6,350	14,665	451
2 ¹ / ₂ % I-L Treasury Stock 2024	17-Jul-24	6,133	12,031	493
4 ¹ / ₈ % I-L Treasury Stock 2030	22-Jul-30	5,021	7,121	347
2% I-L Treasury Stock 2035	26-Jan-35	7,439	8,210	466
1 ¹ / ₄ % I-L Treasury Gilt 2055	22-Nov-55	1,963	1,974	38
Rump gilts	Redemption date	Amount in issue		DMO/CRND* Holdings
9 ³ / ₄ % Conversion Stock 2006	15-Nov-06	1		0
9% Treasury Loan 2008	13-Oct-08	528		13
8% Treasury Stock 2009	25-Sep-09	256		13
9% Treasury Stock 2012	06-Aug-12	245		18
12% Exchequer Stock 2013/2017	12-Dec-13	19		0.6
2 ¹ / ₂ % Treasury Stock	Undated	468		10
4% Consolidated Loan	Undated	287		1
2 ¹ / ₂ % Consolidated Stock	Undated	205		4
3 ¹ / ₂ % Conversion Loan	Undated	19		5
3% Treasury Stock	Undated	45		0.2
2 ¹ / ₂ % Annuities	Undated	2		0.5
2 ³ / ₄ % Annuities	Undated	1		0

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 holdings by local authorities, public corporations and the Bank of England.
** Calculated using the November 2005 RPI. The nominal uplifted amount is now fixed.

Money market operations



Treasury bill tender results Q4 2005

Tender date	Tender amount (£mn)	Average yield (%)	Average price (£)	Cover	Yield tail (bp)
1-month T-bills					
7-Oct-05	500	4.4763	99.6578	4.96	0
14-Oct-05	150	4.4741	99.6580	6.89	2
21-Oct-05	150	4.4625	99.6588	7.02	1
28-Oct-05	150	4.4755	99.6578	6.99	0
4-Nov-05	150	4.4517	99.6597	9.33	0
11-Nov-05	150	4.4480	99.6599	11.77	0
18-Nov-05	150	4.4745	99.6579	6.30	1
25-Nov-05	500	4.4672	99.6342	4.98	0
2-Dec-05	500	4.4400	99.6485	5.35	0
9-Dec-05	500	4.4491	99.6599	5.24	0
16-Dec-05	500	4.4900	99.6567	3.93	1
30-Dec-05	500	4.4970	99.6684	4.04	0
3-month T-bills					
7-Oct-05	800	4.4133	98.9117	5.76	1
14-Oct-05	2,000	4.4507	98.9026	5.60	1
21-Oct-05	2,000	4.4664	98.8987	6.12	1
28-Oct-05	2,000	4.4731	98.8971	5.68	1
4-Nov-05	2,000	4.4841	98.8944	5.66	1
11-Nov-05	1,400	4.4758	98.8964	6.38	0
18-Nov-05	800	4.4553	98.9014	7.26	1
25-Nov-05	800	4.4491	98.9029	6.16	0
2-Dec-05	800	4.4629	98.8996	5.28	1
9-Dec-05	800	4.4736	98.8970	4.16	1
16-Dec-05	900	4.4882	98.8934	3.61	1
30-Dec-05	900	4.4760	98.9084	3.97	0
6-month T-bills					
7-Oct-05	750	4.3682	97.8683	5.73	0
4-Nov-05	750	4.4920	97.8092	6.48	1
2-Dec-05	750	4.4609	97.8240	5.54	1

Calendar for Q1 2006

Treasury bill tenders usually take place every Friday

January	
3	Announcement of the size of the auction of 4¾% Treasury Stock 2020 on 10 January.
10	Auction of 4¾% Treasury Stock 2020.
17	Announcement of the sizes of the auctions of 1¼% IL 2055 on 24 January and 4¼% Treasury Gilt 2011 on 26 January. Publication of the December RPI by ONS and dividend fixing for 2½% IL 2011 and 2½% IL 2013. Publication of the 2 February – 1 March 2005 index ratios for 1¼% IL 2055.
24	Auction of 1¼% IL Gilt 2055.
26	Auction of 4¼% Treasury Gilt 2011.
31	Announcement of the size of the auction of a new current coupon, 3-month lag, index-linked gilt maturing on 22 November 2017. The coupon on the new gilt will also be announced on this date.

February	
1	Annual EST meetings with the GEMMs and end-investors. Minutes to be published on 2 February.
7	Auction of a new current coupon, 3-month lag, index-linked gilt maturing on 22 November 2017. Announcement of the size of the auction of 4¼% Treasury Gilt 2055 on 16 February.
10	Consultation meetings between DMO and gilt investors in Scotland. Minutes to be published on 11 February.
14	Publication of the January RPI by the ONS. Publication of the 2 March – 1 April 2005 index ratios for the 3-month lag index-linked gilts.
16	Auction of 4¼% Treasury Gilt 2055.
21	Announcement of the size of the auction on 1 March of a new current coupon conventional gilt maturing on 7 September 2016. The coupon on the new gilt will also be announced on this date.
28	Announcement of the size of the auction of 2% IL 2035 on 7 March.

March	
1*	Auction of a new current coupon, conventional gilt, maturing on 7 September 2016.
7*	Auction of 2% Index-linked Treasury Stock 2035.
20*	DMO quarterly consultation meetings with end-investors (4.00pm) and GEMMs (5.00 pm). Minutes to be published on 21 March.
21*	Publication of the February RPI by the ONS and dividend fixing for 2½% IL 2020. Publication of the 2 April-1 May index ratios for the 3-month lag index-linked gilts.
31*	Publication of the gilt auction calendar for April-June 2006. Publication of the Treasury bill calendar for April-June 2006.

*Date subject to confirmation following the Chancellor's decision 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 information	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)	GEMMA07 to 08	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<GO>
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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