



Quarterly REVIEW

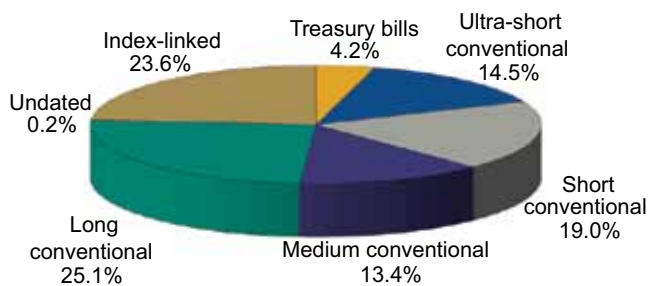
Details of the Gilt and Treasury bill portfolio at 31 December 2014

Portfolio summary statistics	30 September 2014		31 December 2014	
	Gross	Net*	Gross	Net*
Nominal value of the gilt and Treasury bill portfolio - including inflation uplift	£1,465.08bn	£1,336.90bn	£1,498.78bn	£1,370.37bn
Nominal value of the gilt portfolio - including inflation uplift	£1,404.55bn	£1,276.36bn	£1,435.79bn	£1,307.37bn
• Conventional gilts - inc. undated gilts	£1,058.42bn	£940.89bn	£1,082.27bn	£964.63bn
• Index-linked gilts	£346.13bn	£335.47bn	£353.52bn	£342.74bn
Market Value of the gilt and Treasury bill portfolio	£1,706.46bn	£1,550.59bn	£1,846.34bn	£1,682.00bn
Market value of the gilt portfolio	£1,645.99bn	£1,490.11bn	£1,783.40bn	£1,619.06bn
• Conventional gilts - inc. undated gilts	£1,209.31bn	£1,067.17bn	£1,305.20bn	£1,155.10bn
• Index-linked gilts	£436.68bn	£422.95bn	£478.20bn	£463.96bn
Market value weighted average portfolio yield:				
• Conventional gilts - inc. undated gilts	2.14%	2.13%	1.61%	1.60%
• Index-linked gilts	-0.54%	-0.53%	-0.88%	-0.88%
Market value weighted average portfolio maturity - inc. TBills:	15.42 years	15.52 years	15.84 years	15.96 years
Market value weighted average portfolio maturity - exc. TBills:	15.98 years	16.14 years	16.39 years	16.57 years
• Conventional gilts - exc. undated gilts	14.05 years	13.95 years	14.41 years	14.33 years
• Index-linked gilts	21.33 years	21.67 years	21.80 years	22.13 years
Market value weighted average portfolio modified duration:				
• Conventional gilts - inc. undated gilts	9.45 years	9.39 years	9.83 years	9.78 years
• Index-linked gilts	19.72 years	20.05 years	20.32 years	20.65 years

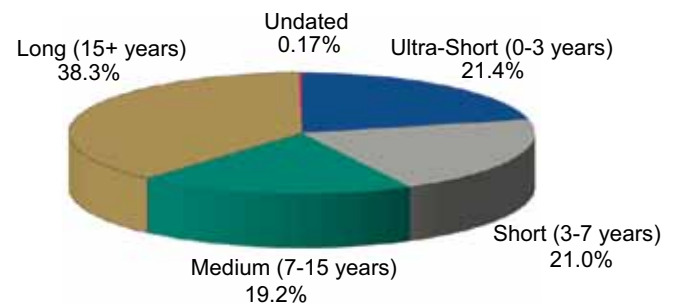
These portfolio statistics exclude the £200m UK Sovereign Sukuk issue which was launched on 25 June 2014.

*The 'Net' holdings category excludes gilts held by the DMO.

Composition of gilt and Treasury bill portfolio**



Gilt and Treasury bill portfolio maturity split**

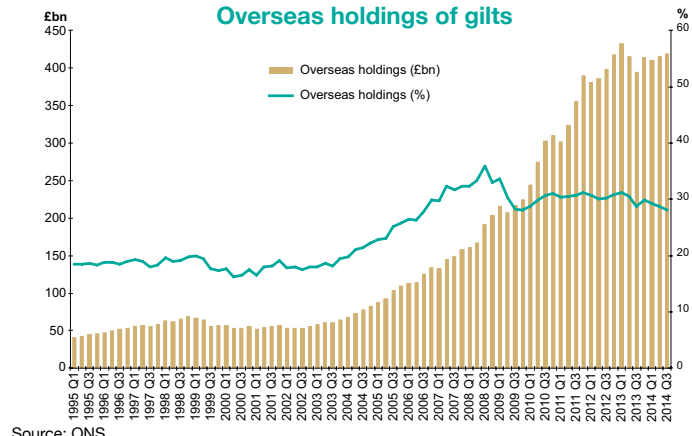


Distribution of gilt holdings at 30 September 2014 (based on market values)

(£millions) at end	Q2 2014	Q3 2014
Overseas	414,373	418,292
Bank of England (Asset Purchase Facility)	368,789	376,141
Insurance companies and pension funds	396,193	425,292
Monetary Financial Institutions*	145,329	140,793
Other financial institutions and other	97,160	108,145
Households	19,528	19,640
Local authorities and public corporations	1,692	1,815
TOTAL	1,443,064	1,490,118

Source: ONS. These figures can be revised retrospectively.
Monetary Financial Institutions replaced the 'Banks' and 'Building societies' categories in January 2011, and excludes BoE holdings.

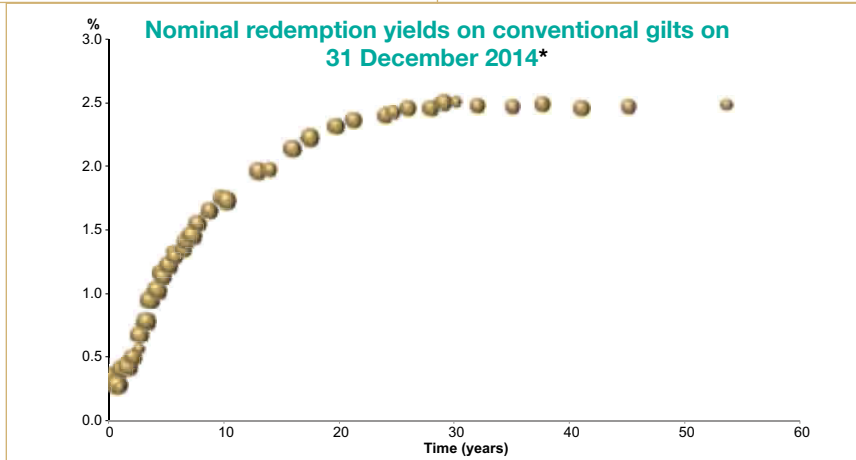
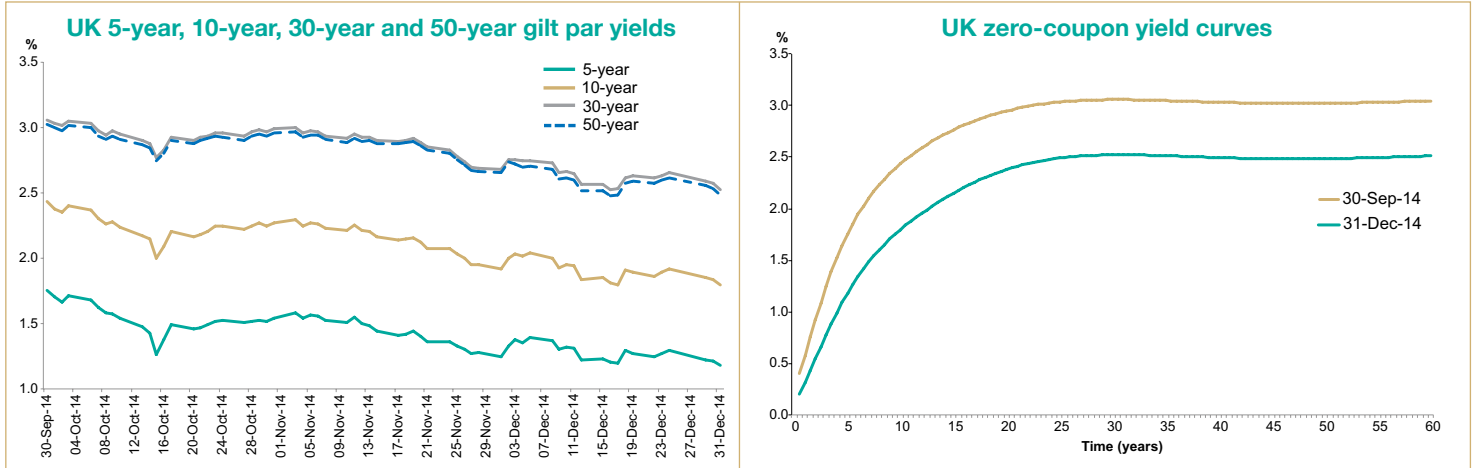
Overseas holdings of gilts



Source: ONS.

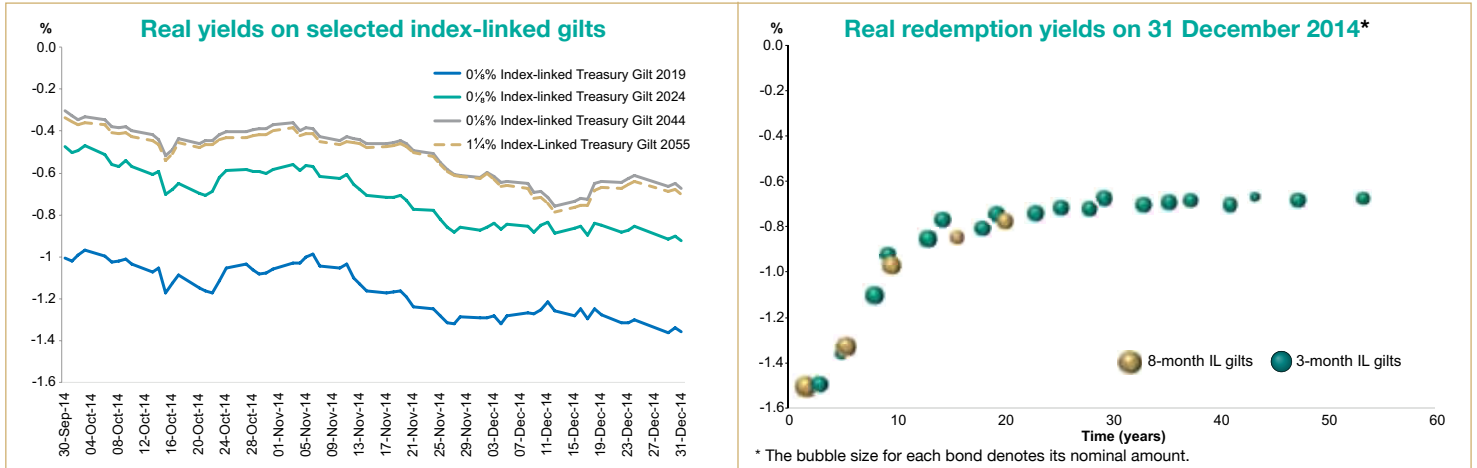
** These are based on uplifted nominal values. Figures in the pie charts may not sum due to rounding.

Conventional gilts

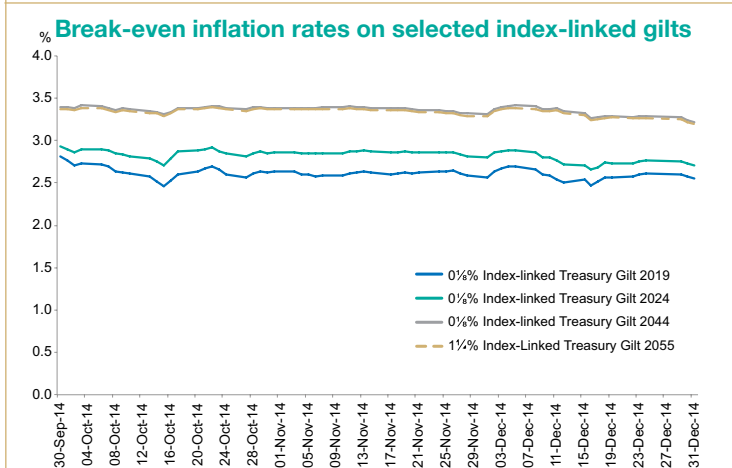


* The bubble size for each bond denotes its nominal amount.

Index-linked gilts



* The bubble size for each bond denotes its nominal amount.



Projected redemption values of index-linked gilts based on average inflation of 2½% and 3% per annum

Nominal Amount : £100.00	Inflation Assumptions	
	2.50%	3.00%
2½% Index-linked Treasury Stock 2016	322.86	324.44
1¼% Index-linked Treasury Gilt 2017	142.24	144.20
0% Index-linked Treasury Gilt 2019	115.89	118.64
2½% Index-linked Treasury Stock 2020	348.45	356.60
1% Index-linked Treasury Gilt 2022	151.61	157.48
0% Index-linked Treasury Gilt 2024	132.92	138.96
2½% Index-linked Treasury Stock 2024	328.75	343.47
1¼% Index-linked Treasury Gilt 2027	181.79	193.48
0% Index-linked Treasury Gilt 2029	153.56	164.50
4¼% Index-linked Treasury Stock 2030	275.62	296.49
1¼% Index-linked Treasury Gilt 2032	183.85	200.51
0¾% Index-linked Treasury Gilt 2034	177.63	194.98
2% Index-linked Treasury Stock 2035	239.70	263.56
1% Index-linked Treasury Gilt 2037	223.34	249.57
0% Index-linked Treasury Gilt 2040	220.97	249.75
0% Index-linked Treasury Gilt 2042	240.55	275.43
0% Index-linked Treasury Gilt 2044	217.87	251.08
0¾% Index-linked Treasury Gilt 2047	278.33	326.54
0½% Index-linked Treasury Gilt 2050	287.04	340.60
0¼% Index-linked Treasury Gilt 2052	265.90	318.60
1¼% Index-linked Treasury Gilt 2055	366.84	447.23
0% Index-linked Treasury Gilt 2055	291.70	359.89
0¾% Index-linked Treasury Gilt 2062	349.40	439.54
0% Index-linked Treasury Gilt 2068	382.74	495.76

Gilt market flows (£mn)

	Gross gilt issuance (cash)	Redemptions	Coupons*	Net financing from gilts after redemptions and coupons
Jul-13	11,922	-	-2,841	9,081
Aug-13	11,104	-11,780	-744	-1,420
Sep-13	18,284	-5,794	-10,857	1,633
Oct-13	15,707	-	-250	15,457
Nov-13	15,399	-	-630	14,769
Dec-13	7,481	-15	-7,022	444
Jan-14	11,943	-	-3,320	8,623
Feb-14	11,938	-	-480	11,458
Mar-14	10,248	-33,865	-10,687	-34,305
Apr-14	11,641	-	-253	11,388
May-14	5,412	-	-758	4,654
Jun-14	13,831	-	-7,021	6,810
Jul-14	16,897	-	-3,629	13,268
Aug-14	9,703	-	-480	9223
Sep-14	8,768	-34,540	-10,743	-36,515
Oct-14	16,436	-	-257	16,179
Nov-14	6,458	-	-639	5,819
Dec-14	7,285	-	-7,172	113
Jan-15	15,923	-27,785	-4,149	16,011
Feb -15	-	-218	-487	-
Mar-15	-	-1,908	-10,062	-

Figures may not sum due to rounding.

*Fixed coupon flow numbers are for the stock of debt outstanding at end quarter. Redemption figures are net of official holdings

2013-14 and 2014-15 financing requirements

(£bn)	2013-14 (outturn)	2014-15*	2014-15 Autumn Statement
CGNCR exc. NRAM and B&B** Network Rail**	80.6	107.2	102.3
Gilt Redemptions	51.5	62.2	64.5
Financing for the Official Reserves	6.0	6.0	12.0
Gilt secondary market purchases	0.0	0.0	0.0
Planned short-term financing adjustment	5.8	-21.2	-30.2
Gross financing requirement	143.9	154.2	148.6
Less			
Contribution from National Savings & Investments	3.4	13.0	13.5
Sukuk			0.2
Renminbi			0.3
Other financing items***			0.2
Net financing requirement	140.5	141.2	134.4
Gilt sales planned during the year	153.4	127.2	125.9
Change in planned Treasury bill stock	5.0	14.0	8.5
Change in Ways and Means	0.0	0.0	0.0
DMO net cash position at end of financial year	21.7	0.5	0.5

Figures may not sum due to rounding.

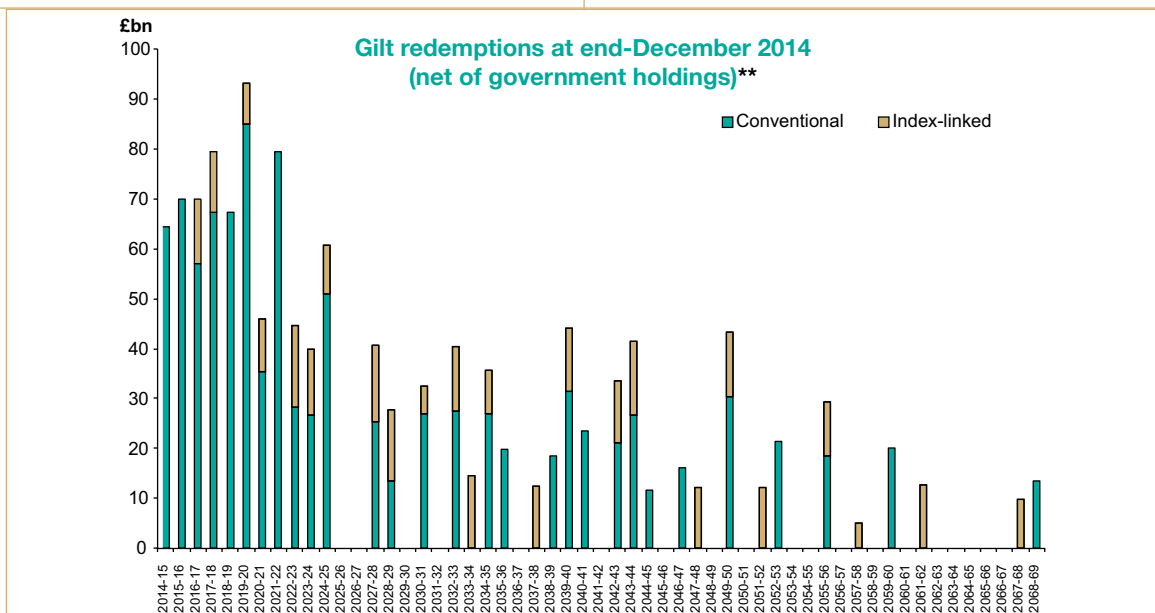
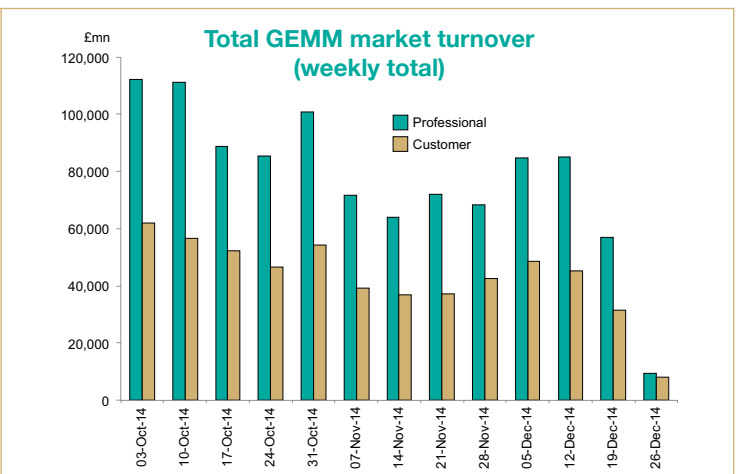
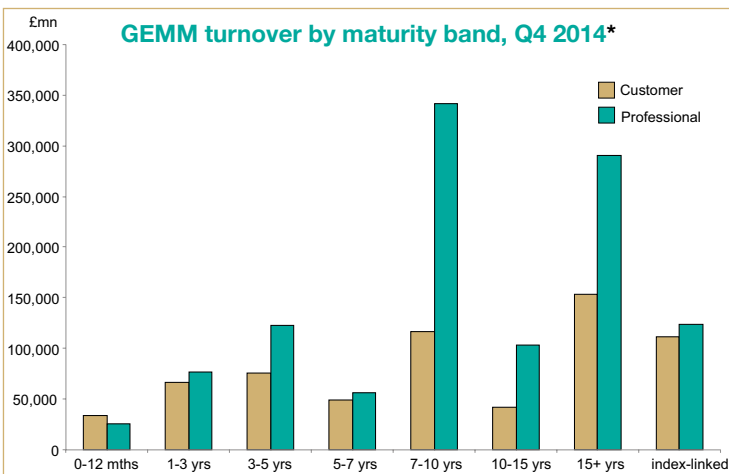
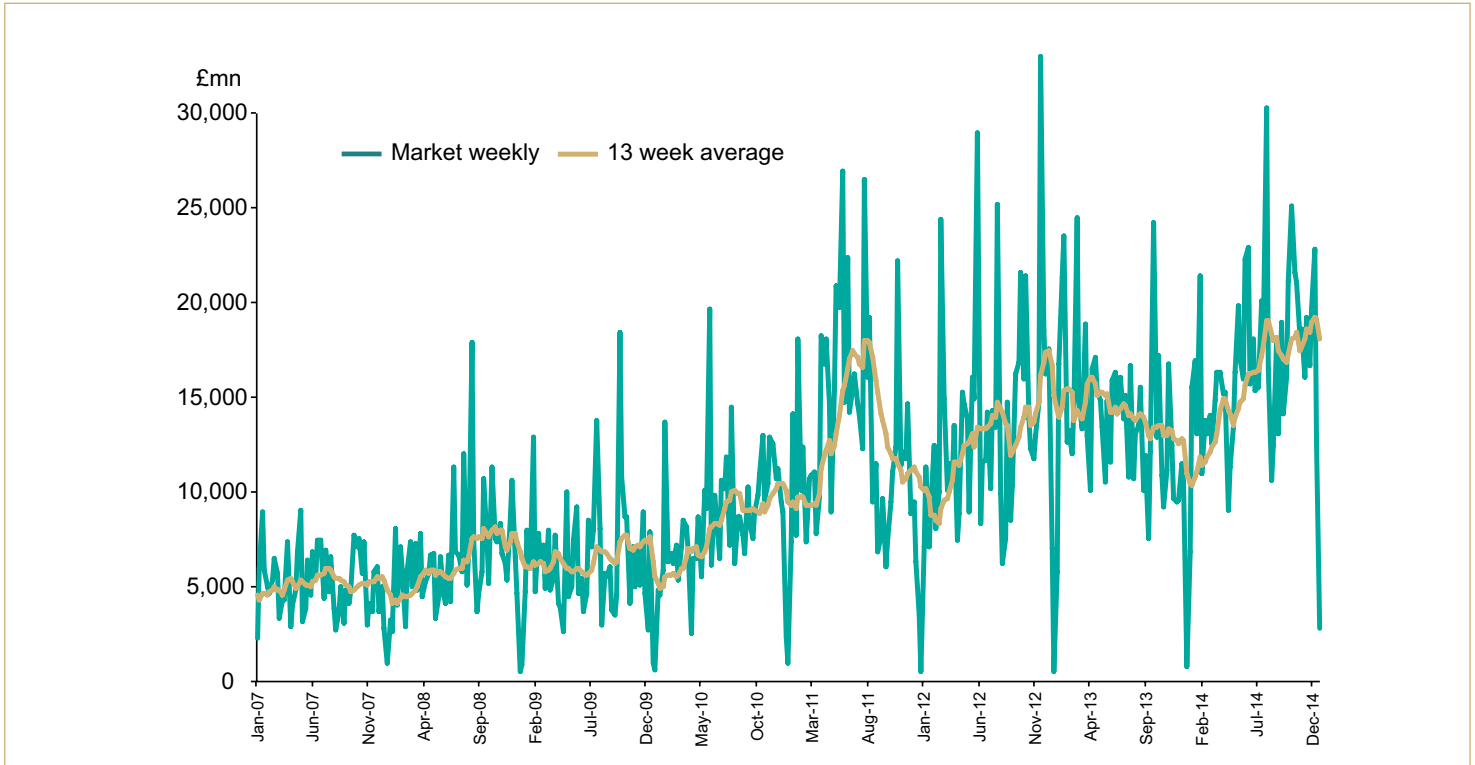
*as updated on 23 April 2014.

**The Exchequer's requirement for financing £6.5bn of lending to Network Rail was included in CGNCR in April 2014.

***Includes non-governmental deposits, coinage and certificate of tax deposits.

**Northern Rock Asset Management (NRAM) and Bradford and Bingley (B&B).

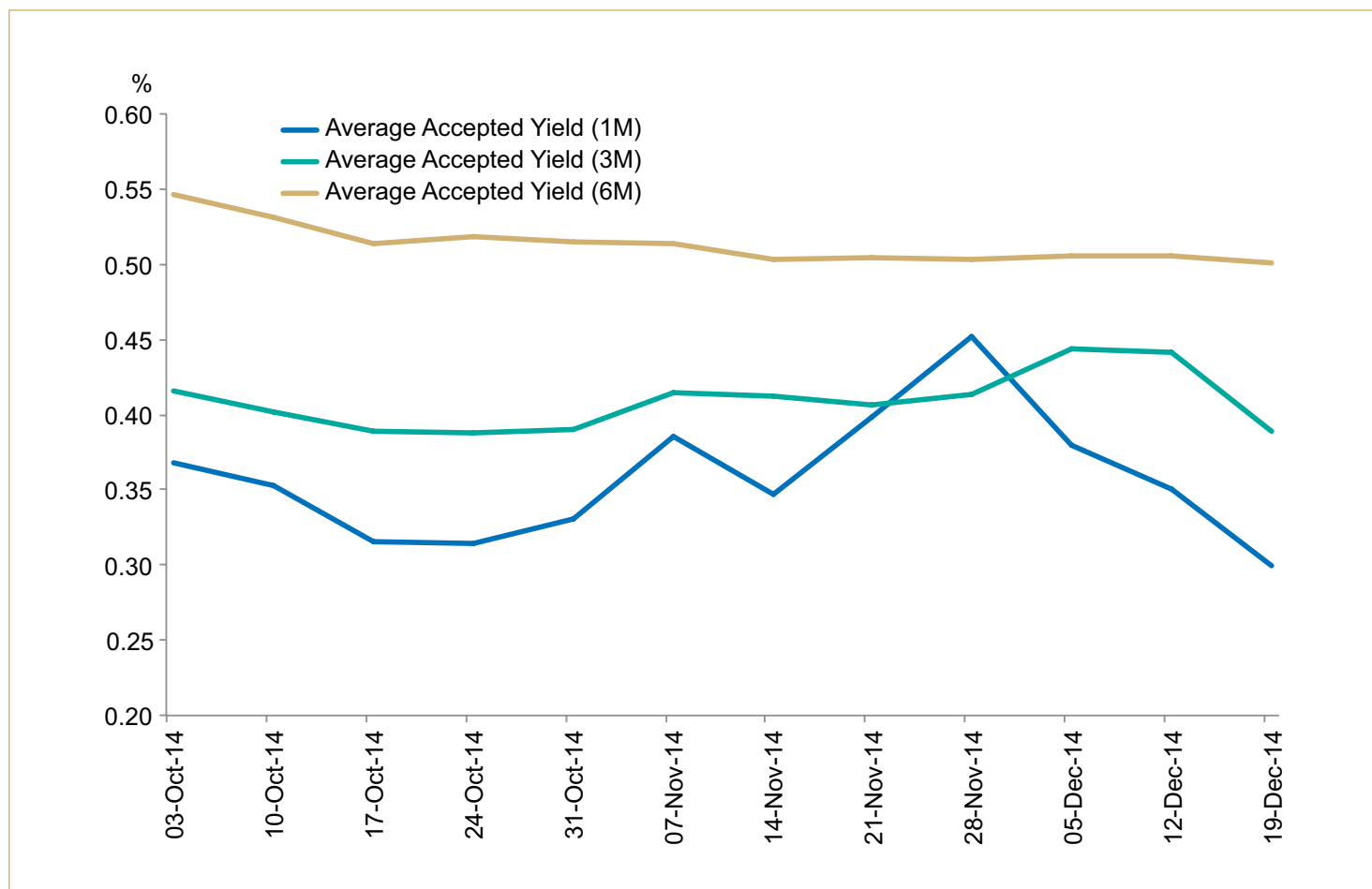
Index-linked gilt market turnover 2007-2014



*Professional turnover is defined as turnover with counterparties who are Broker Dealers (BDLs), other Gilt-edged Market Makers (GEMMs), DMO or Bank of England. Customers are all others (including businesses with related entities).

** The redemption totals for index-linked gilts in this chart do not reflect the full value of inflation uplift. They are calculated in a way consistent with the formulation of the Government's financing requirement i.e. that part of the accrued inflation uplift on any redeeming gilts that represents the return to investors is included in the CGNCR in that redemption year, and the remainder is included in the redemption total for the year in which the relevant gilts redeems. 'Government holdings' is defined as gilts held by the DMO.

Treasury bill tender results October – December 2014



Contacts

Team	Telephone No.	Email
Policy Team	020 7862 6532	policy@dmo.gsi.gov.uk
Markets Team	020 7862 6517	markets@dmo.gsi.gov.uk
Research Team	020 7862 6516	research@dmo.gsi.gov.uk
Press Office	020 7862 6532	pressofficer@dmo.gsi.gov.uk
Web Team	020 7862 6735	webstrategy@dmo.gsi.gov.uk
Public Works Loan Board	020 7862 6610	pwlb@dmo.gsi.gov.uk

Updated data, press releases and other information are available on the DMO website at www.dmo.gov.uk. Please send any queries to one of the email addresses above.

DMO website: Useful links

What's New

http://www.dmo.gov.uk/ceLogon.aspx?page=Press_New&rptcode=D8D

Events calendar

http://www.dmo.gov.uk/ceLogon.aspx?page=Events_Calendar&rptCode=D5J

Gilt market

Gilt prices page

http://www.dmo.gov.uk/index.aspx?page=Gilts/Daily_Prices

Gilts in issue

http://www.dmo.gov.uk/index.aspx?page=Gilts/Gilts_In_Issue

Summary of results from all DMO gilt operations

http://www.dmo.gov.uk/ceLogon.aspx?page=Summary_of_results&rptCode=D2.1prof7

Cash sales versus the remit (updated after each operation)

<http://www.dmo.gov.uk/index.aspx?page=Remit/Information>

Gilt issuance history

http://www.dmo.gov.uk/index.aspx?page=Gilts/Gilts_In_Issue

Overseas holdings data

http://www.dmo.gov.uk/ceLogon.aspx?page=Gilts/Overseas_Holdings&rptCode=D5N

Index-linked gilts

Index-linked gilts in issue

<http://www.dmo.gov.uk/reportView.aspx?rptCode=D1D&rptName=75321885&reportpage=D1D>

Published cash flows

http://www.dmo.gov.uk/ceLogon.aspx?page=Nominal_IL&rptCode=D5I

Daily index ratios

<http://www.dmo.gov.uk/ceLogon.aspx?page=D10C&rptcode=D10C>

Money markets

Treasury bill prices

http://www.dmo.gov.uk/ceLogon.aspx?page=tbills/Daily_Prices_Yields&rptCode=D3A

Summary of Treasury bills tender results

http://www.dmo.gov.uk/index.aspx?page=tbills/tbill_tenders

Treasury bill issuance history

http://www.dmo.gov.uk/ceLogon.aspx?page=tbills/Portfolio_Composition&rptcode=D2.2G

National Loan Guarantee Scheme

<http://www.dmo.gov.uk/index.aspx?page=CGS/NLGS2012>

Key documents

Historical copies of the Quarterly Review

http://www.dmo.gov.uk/index.aspx?page=publications/Quarterly_Reviews

Historical copies of the Annual Review

http://www.dmo.gov.uk/index.aspx?page=publications/Annual_Reviews

DMO website: Useful links

Operational Notice – Gilt market

http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/Opnot20140331.pdf&page=operational_rules/Document

Operational Notice – Cash market

http://www.dmo.gov.uk/documentview.aspx?docname=publications/moneymarkets/cmopnot310314.pdf&page=money_markets/publication

Guidebook – GEMMs

http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/guidebook20140331.pdf&page=operational_rules/Document

Debt & Reserves Management Report 2014-15

http://www.dmo.gov.uk/documentview.aspx?docname=remit/drmr1415.pdf&page=Remit/full_details

DMO Financing Remit 2014-15

http://www.dmo.gov.uk/documentview.aspx?docname=gilts/press/sa230414.pdf&page=Remit/full_details

Information Memorandum

http://www.dmo.gov.uk/documentview.aspx?docname=publications/operationalrules/infmemadd220813.pdf&page=operational_rules/Document

Gilt prospectuses

<http://www.dmo.gov.uk/ceLogon.aspx?page=Prospectuses&rptcode=D8E>

Formulae for calculating gilt price from yields

<http://www.dmo.gov.uk/documentview.aspx?docname=/giltsmarket/formulae/yldeqns.pdf&page=Gilts/Formulae>

Public Works Loan Board (PWLB)

<http://www.dmo.gov.uk/index.aspx?page=PWLB/Introduction>