

AGENDA FOR THE CONSULTATION MEETINGS TO DISCUSS GILT ISSUANCE IN APRIL-MAY 2009 ON MONDAY 23 MARCH WITH GILT MARKET INVESTORS, 3.30pm AND GEMMs, 5.00pm at:

EASTCHEAP COURT, 11 PHILPOT LANE, LONDON EC3M 8UD

The DMO would like to invite up to 20 end investors to contribute to a discussion on gilt issuance in April-May 2009. Attendees may be nominated by their representative organisations (e.g. NAPF, ABI etc.) or they may contact the DMO directly. Spaces are allocated on a first come, first served basis, at the DMO's discretion. Places will be limited to one person per organisation. Please contact Sarah Ellis sarah.ellis@dmo.gsi.gov.uk (020 7862 6525) or Steve Whiting steve.whiting@dmo.gsi.gov.uk (020 7862 6532) by close Friday 20 March if you would like to attend.

1. Review of gilt market operations: January-March 2009
2. DMO Provisional Financing Remit 2009-10
3. Choice of conventional and index-linked gilts for auctions scheduled in April and May 2009. Table 1 below lists the 12 scheduled auction dates and weeks in which the two gilt mini-tenders will be held. For conventional gilts, a suggested schedule for the maturity of issuance is provided in Table 2 to facilitate the discussion.

Table 1: April-May Issuance Calendar

01-Apr	Conventional
02-Apr	Conventional
07-Apr	Conventional
08-Apr	Index-linked
w/c 13-Apr	Tender
16-Apr	Conventional
28-Apr	Conventional
30-Apr	Index-linked
06-May	Conventional
12-May	Conventional
14-May	Index-linked
w/c 18-May	Tender
21-May	Conventional
28-May	Index-linked

Table 2: Suggested Maturity Split (Conventional Auctions)

01-Apr	Short
02-Apr	Long
07-Apr	Medium
08-Apr	Index-linked
w/c 13-Apr	Tender
16-Apr	Short
28-Apr	Medium
30-Apr	Index-linked
06-May	Long
12-May	Medium
14-May	Index-linked
w/c 18-May	Tender
21-May	Short
28-May	Index-linked

- The auction announcements for the first two auctions of the 2009-10 calendar, on 1 and 2 April will be made on Tuesday 24 March at 3.30pm. These will include the identity of the gilt(s) to be auctioned, size and other terms and conditions.
- An updated calendar for 2009-10 will be announced in the Debt and Reserves Management Report 2009-10 on 22 April alongside Budget 2009. No additional operations will be scheduled for April or May at Budget 2009.
- Two gilt tenders are scheduled in week commencing 13 April and week commencing 18 May. Preliminary views will be sought on the type and maturity of gilts for these operations.

Conventional gilt issuance

The DMO suggests holding three short-dated, three medium-dated and two long-dated auctions in April-May 2009.

The suggested maturity schedule of conventional issuance above reflects the DMO's aim to provide regularity in the issuance calendar across each maturity sector as suggested in Table 2.

The DMO's ongoing policy is to build up new gilts to benchmark size. In decisions on the maturity of new gilts the DMO will have explicit regard to the impact on the redemption profile.

- Short-dated: The DMO anticipates there might be at least two re-openings of the new 2¼% 2014 to help build liquidity in the gilt, but welcomes views on that issue and on the identity of any other short-dated gilt(s) to be sold. In deciding the maturity of short-dated gilts to be issued the DMO will pay particular regard to the impact on the gilt redemption profile.
- Medium-dated: The DMO anticipates re-opening 4½% 2019 at least once and possibly twice in April-May and is also minded to build up the new 2022 maturity. The DMO welcomes views on issuance of these gilts, and on other medium-dated candidates.
- Long-dated: The DMO anticipates re-opening the new 2039 maturity at least once in April-May and seeks views on this and other candidates.

Index-linked gilt issuance

There are four index-linked auctions scheduled in April-May. The DMO anticipates re-opening 1¼% IL 2032 and 0¼% IL 2047 at least once in the next two months and seeks views on these and other candidates.

4. Any other business

The next consultation meetings to discuss gilt issuance in June-September 2009 will be held at 3.30pm (investors) and 5.00pm (GEMMs) on Monday 18 May.