

AGENDA FOR THE CONSULTATION MEETINGS WITH END-INVESTORS (3.30PM) AND GEMMs (5.00PM) TO DISCUSS GILT ISSUANCE IN JANUARY-MARCH 2010, TO BE HELD AT 3.30pm ON MONDAY 14 DECEMBER 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 January-March 2010. 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 Steve Whiting steve.whiting@dmo.gsi.gov.uk (020 7862 6532) or Sarah Ellis sarah.ellis@dmo.gsi.gov.uk (020 7862 6525) by close Friday 11 December if you would like to attend.

1. Review of gilt market operations to-date: October-December 2009
2. PBR remit revision (including syndication programme in Q4)
3. Choice of conventional and index-linked gilts for auctions scheduled in January-March 2010

Table 1 below lists the 13 scheduled auction dates and weeks in which three gilt mini-tenders could potentially be held. For conventional gilts, a suggested schedule for the maturity of issuance is provided in Table 2 to facilitate the discussion.

**Table 1:
January-March
Issuance Calendar**

6-Jan	Conventional
13-Jan	Conventional
w/c 18-Jan	Tender
21-Jan	Conventional
2-Feb	Conventional
3-Feb	Conventional
9-Feb	Conventional
11-Feb	Index-linked
w/c 15-Feb	Tender
24-Feb	Conventional
2-Mar	Conventional
3-Mar	Conventional
9-Mar	Conventional
11-Mar	Index-linked
w/c 15-Mar	Tender
24-Mar	Conventional

**Table 2:
Suggested Maturity Split
(Conventional Auctions)**

6-Jan	Short
13-Jan	Long
w/c 18-Jan	Tender
21-Jan	Medium
2-Feb	Short
3-Feb	Medium
9-Feb	Long
11-Feb	IL
w/c 15-Feb	Tender
24-Feb	Medium
2-Mar	Short
3-Mar	Long
9-Mar	Medium
11-Mar	IL
w/c 15-Mar	Tender
24-Mar	Medium

The DMO anticipates holding up to two syndicated offerings in Q4 and is seeking views on the timing and type of gilts suitable for syndication (long conventional and/or index-linked). The DMO anticipates that at least one of these operations will be for an index-linked gilt. The DMO is also seeking views on possible new gilts that could be launched by syndication, as well as market views on whether there is merit in re-opening any existing gilts using this method of issuance.

Conventional gilt issuance

In accordance with the DMO's financing remit, there will be three short-dated, five medium-dated and three long-dated auctions in January-March 2010.

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

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

- Short-dated (three auctions): The DMO considers that there may be a case for at least two re-openings of the new 5-year gilt 2¾% 2015 in order to continue to build the bond to benchmark size. The DMO welcomes views on this approach and the identity of other short-dated candidates for issuance in Q4.
- Medium-dated (five auctions): The DMO anticipates re-opening 3¾% 2019 at least twice to continue to build up the gilt and welcomes market views on the timing and frequency of these re-openings. The DMO also welcomes views on other medium-dated candidates for issuance in Q4.
- Long-dated (three auctions): The DMO envisages re-opening 4½% 2034 and 4¼% 2039 in Q4 and seeks views on the number and the sequencing of such re-openings. Market views are also sought on the identity of any other long-dated bonds for issuance in Q4, taking into account the possibility of any long-dated gilt being issued by syndication.

Index-linked gilt issuance

There are two index-linked auctions scheduled in January-March 2010. The DMO welcomes views on candidates for and sequencing of index-linked gilt auctions in Q4, taking into account the potential for index-linked gilt issuance by syndication during the quarter.

4. Any other business

The next consultation meetings to discuss gilt issuance in April-June 2010 will be held at 3.30pm (End-investors) and 5.00pm (GEMMs) on Monday 22 March, subject to the Chancellor's decision on the timing of the 2010 Budget.