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PRESS NOTICE

TRANSFER OF £0.5 BILLION (CASH) OF THE UNALLOCATED PORTION OF GILT ISSUANCE TO THE MEDIUM CONVENTIONAL GILT AUCTION PROGRAMME

The UK Debt Management Office (DMO) is announcing today that it is transferring £0.5 billion (cash) of the unallocated portion of gilt issuance for 2018-19 to the medium conventional gilt auction programme.

The remaining auction in the medium conventional gilt programme in 2018-19 is a re-opening of 1½% Treasury Gilt 2028 to be held on Thursday 14 February 2019. Further details of this auction, including the size, are being announced at 3.30pm today.

Following the transfer of £200 million (cash) to the syndicated re-opening of 0½% Index-linked Treasury Gilt 2041 earlier today and the transfer announced above, the residual unallocated portion of gilt issuance in 2018-19 will be reduced to £0.8 billion.

Notes to editors

The DMO began the 2018-19 financing remit with an initially unallocated portion of gilt issuance of £6.6 billion (cash). This amount was increased by £0.1 billion at the remit revision coinciding with the publication of the outturn of the 2017-18 CGNCR on 24 April 2018. £2.1 billion was subsequently deducted from the then remaining unallocated portion of issuance at Autumn Budget 2018, after which the remaining balance was £1.5 billion.

The unallocated portion of gilt issuance can be used to sell any type or maturity of gilt by any issuance method, and it has been drawn down progressively over the course of the financial year as shown in the table below.

Changes to the unallocated portion of gilt issuance in the financial year 2018-19	
	(£mn)
Size at Spring Statement 2018	6,600
Size at April 2018 remit revision	6,700
Draw-downs	
Transfer to 1½% 2071 Syndication (15 May 2018)	-1,000
Transfer to 0½% IL 2041 Syndication (11 July 2018)	-600
Increasing auction sizes (31 August 2018)	-1,500
Reduction at Autumn Budget (29 October 2018)	-2,100
Transfer to 0½% IL 2041 Syndication (5 February 2019)	-200
Transfer to the medium auction programme (5 February 2019)	-500
Draw-down	-5,900
Remaining balance	800

The use of the unallocated portion of issuance by type and maturity of gilt and by issuance method is shown in the table below:

Use of the unallocated portion by type and maturity of gilt in 2018-19		
	£mn	
Short	500	13.2%
Medium	1,100	28.9%
Long	1,400	36.8%
Index-linked	800	21.1%
	3,800	
Use of the unallocated portion by issuance method		
	£mn	
Auction	2,000	52.6%
Syndication	1,800	47.4%
Gilt tender	0	0.0%
	3,800	
<i>Figures may not sum due to rounding</i>		

A copy of this press notice is available on the DMO's website: www.dmo.gov.uk