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## PRESS NOTICE

### **SYNDICATED LAUNCH OF £6.0 BILLION OF 1¼% TREASURY GILT 2051: RESULT**

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £6.0 billion (nominal) of 1¼% Treasury Gilt 2051 has been priced at £98.469 per £100 nominal, equating to a gross redemption yield of 1.3115%. The transaction will settle, and the first tranche of this gilt will be issued, on 28 April 2021.

Proceeds from today's transaction are expected to amount to approximately £5.9 billion (cash<sup>1</sup>) and will take long conventional gilt sales in the financial year to-date to £8.9 billion, and total gilt sales to £23.8 billion. The DMO is planning to raise £252.6 billion via gilt sales in 2021-22.

This was the first of five currently planned transactions in the DMO's 2021-22 syndication programme<sup>2</sup> (excluding any green gilts that may potentially be issued via this method). The new gilt was priced at a yield spread of 1.50 basis points (bp) above the yield on the reference gilt, 0⁹⁸% Treasury Gilt 2050. This represented the tight end of the published price guidance. The UK domestic market provided the main support for the issue, taking around 89% of the allocation.

Commenting on the result, Sir Robert Stheeman, the Chief Executive of the DMO, said:

*Today we have marked the start of our syndication programme for 2021-22 with the successful launch of a new 30-year maturity conventional gilt. We have been able to bring*

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<sup>1</sup> Figures in this Press Notice are in cash terms unless indicated otherwise.

<sup>2</sup> In the remit revision on 23 April 2021, a previously planned index-linked syndication was cancelled and replaced by an index-linked auction: there are currently three long conventional and two index-linked syndications planned in 2021-22, aiming to raise £16.5 billion and £9.0 billion respectively.

*the gilt to market in significant size, thereby establishing a strong base from which to build a new benchmark maturity.*

*I am pleased that the transaction was both well received by the market and efficiently executed. The new 2051 maturity gilt attracted strong interest from domestic real money accounts which constitute our core domestic investor base. Today's sale is a further welcome demonstration of the ongoing strength and depth of the gilt market and the valuable support from its participants for our financing programmes.*

## **NOTES TO EDITORS**

The syndicated offer was managed by five Joint Bookrunners: Barclays, Goldman Sachs International, Lloyds Bank Corporate Markets, NatWest Markets and RBC CM. All other wholesale Gilt-edged Market Makers were Co-Lead Managers. The composition of the syndicate was announced by the DMO on 16 April 2021.

The order book for the transaction was opened at 8.30am on 27 April 2021 with indicative price guidance for investors at a spread of 1.50bp to 1.75bp above the yield on the reference gilt (0% Treasury Gilt 2050). At 9.15am the Joint Bookrunners announced that price guidance was being fixed at a yield spread of 1.50bp above the reference gilt. The book closed at 9.30am with 174 orders.<sup>3</sup>

At 10.13am the Joint Bookrunners announced that the size of the transaction had been set at £6.0 billion (nominal). The price was set at 12.40pm.

As announced on 12 March 2021, the next planned syndication in the DMO's 2021-22 programme is the launch of a new index-linked gilt<sup>4</sup> maturing in the 15 to 25-year area scheduled for May 2021 (subject to demand and market conditions).

This press notice will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)

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<sup>3</sup> Total orders were £69.4 billion (nominal).

<sup>4</sup> Inflation uplift on the coupon payments and principal of this gilt will, as normal, be linked to the General Index of Retail Prices (RPI).