

AGENDA FOR THE CONSULTATION MEETINGS WITH GILT MARKET INVESTORS (3.30PM) AND GEMMS (5.00PM) TO DISCUSS GILT ISSUANCE IN JANUARY-MARCH 2012, TO BE HELD ON MONDAY 5 DECEMBER 2011 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 2012. 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 (0845 357 6525) or Steve Whiting steve.whiting@dmo.gsi.gov.uk (0845 357 6532) by close Friday 2 December 2011 if you would like to attend.

- 1. Autumn Statement 2011: Remit Revision.**
- 2. Review of gilt market operations in September to November 2011.**
- 3. The DMO is seeking views on the choice of gilt for mini-tender to be held in week commencing 19 December. The DMO will be announcing the choice of bond on Friday 9 December at 3.30pm¹.**
- 4. Choice of conventional and index-linked gilts for auctions scheduled in January-March 2012, and views on the timing of up to two mini-tenders in Q4 2011-12.**
- 5. Market views on the final two gilts to be syndicated in 2011-12. The DMO anticipates holding two syndicated offerings in Q4 2011-12, one of a conventional and one of an index-linked gilt, and is seeking views on potential candidates for issuance and timing of these offerings.**
- 6. Any other business.**

Table 1 below lists the 13 scheduled auction dates and weeks in which two gilt mini-tenders could potentially be held in January-March 2012. To facilitate discussion a possible schedule for the maturity of conventional gilt issuance is provided in Table 2, but the DMO welcomes views on auction scheduling.

The timing of operations in Q4 2011-12 is subject to confirmation pending the Chancellor's decision on the timing of the Budget.

The DMO's ongoing policy is to build up gilts to benchmark size, taking into account the impact of issuance on the redemption profile. A maturity schedule of conventional issuance such as that set out in Table 2 would reflect the DMO's preference to provide regularity in issuance across each maturity sector.

¹ Following the Chancellor's delivery of the Autumn Statement 2011 on 29 November, the DMO announced a revision to the DMO's Financing Remit 2011-12 which included the scheduling of an additional medium conventional gilt auction to be held on Wednesday 14 December 2011. The DMO announced today that the auction will be of 4% Treasury Gilt 2022. As a consequence of the scheduling of an additional auction in week commencing 12 December, the mini-tender previously planned for that week has been moved back one week.

Table 1:
January-March
Issuance Calendar

4-Jan	Conventional
10-Jan	Index-linked
11-Jan	Conventional
19-Jan	Conventional
1-Feb	Conventional
2-Feb	Index-linked
7-Feb	Conventional
16-Feb	Conventional
w/c 27-Feb	Tender
1-Mar	Conventional
6-Mar	Index-linked
7-Mar	Conventional
15-Mar	Conventional
22-Mar	Index-linked
w/c 26-Mar	Tender

Table 2:
Suggested Maturity Split
(Conventional Auctions)

4-Jan	Short
10-Jan	IL
11-Jan	Medium
19-Jan	Short
1-Feb	Medium
2-Feb	IL
7-Feb	Short
16-Feb	Long
w/c 27-Feb	Tender
1-Mar	Medium
6-Mar	IL
7-Mar	Short
15-Mar	Long
22-Mar	IL
w/c 26-Mar	Tender

Conventional gilt issuance

The DMO is planning on the basis that there will be four short, three medium and two long conventional auctions in January to March 2012.

- Short (four auctions): the DMO could envisage at least two re-openings of the current 5-year benchmark 1¾% 2017 but would welcome views on this and on the timing of re-openings. The DMO also welcomes views on other short conventional candidates for auction in Q4 2011-12, including the potential launch of a new 5-year benchmark whilst taking into account implications for the near-term redemption profile.
- Medium (three auctions): the DMO could envisage at least one re-opening of a prevailing 10-year benchmark gilt (3¾% 2021 or 4% 2022) in Q4 2011-12 but welcomes views on frequency and on timing, as well as other suggestions of medium conventional gilts for re-opening in this quarter.
- Long (two auctions): the DMO welcomes views on the identity and timing of long conventional gilts to be auctioned in Q4 2011-12, taking into account the planned long conventional gilt issuance by syndication in the quarter.

Index-linked gilt issuance

There are four index-linked gilt auctions scheduled in January-March 2012. The DMO welcomes views on candidates for, and the sequencing of, index-linked gilt issuance in this period, taking into account the recommendations for the planned index-linked gilt issuance by syndication in this quarter.

The DMO will announce details of the gilt operations calendar for January-March 2012, as well as the choice of bond to be issued by mini-tender in week commencing 19 December 2011, at 3.30pm on Friday 9 December 2011.

The next consultation meetings to discuss gilt issuance in April-June 2012 are scheduled to be held at 3.30pm (investors) and 5.00pm (GEMMs) on Monday 26 March 2012, subject to confirmation pending the Chancellor's decision on the timing of the Budget.