

## **RECORD OF THE DMO CONSULTATIONS WITH GILT MARKET PARTICIPANTS AHEAD OF THE ANNOUNCEMENT OF THE JANUARY TO MARCH 2026 GILT OPERATIONS CALENDAR**

The DMO held consultations with the Gilt-edged Market Makers (GEMMs) and with representatives of gilt investors on Monday 1 December 2025 in hybrid form, with some participants attending at the DMO's offices and others joining via conference/video call.

The consultations were primarily intended to inform the choice of gilts to be sold via auction and syndication in the fourth quarter of financial year 2025-26, as well as the dates and maturity sectors for programmatic gilt tenders in the period.

The DMO set out a schedule of 12 gilt auction dates in the January to March 2026 period, together with a proposed maturity split for conventional gilt auctions. The DMO is also planning to schedule two syndicated offerings during the period: the sale of an existing long conventional gilt in January 2026 and a new medium green gilt in February 2026. The DMO set out preliminary proposals for a schedule of programmatic gilt tenders in Q4 2025-26.

In discussion, the following main points emerged.

### **GEMMs**

#### **Conventional gilt syndication**

Most attendees were supportive of re-opening 5¼% 2041 in January 2026 with a few calls for a re-opening of 5¾% 2056. Several attendees suggested that it might be prudent to delay making a decision about the maturity of issuance until early January 2026 in order to be able to assess, and take into account, demand and market conditions closer to the transaction.

#### **Medium green gilt syndication<sup>1</sup>**

Participants at the consultation meeting were unanimously in favour of the launch of a new medium green gilt in February 2026. Most attendees suggested the 10- to 12-year maturity area, however there were also some calls for a new green gilt in the 12- to 14-year maturity area.

#### **Conventional (10 auctions)**

##### **Short (five auctions)**

Very strong support was expressed for two re-openings of 4% 2029 with some attendees advocating for three re-openings of the gilt. Nearly all attendees also recommended two re-openings of 4½% 2031 in Q4 2025-26 with a few participants recommending a third re-opening of this gilt in the January to March 2026 period. There were suggestions for a re-opening of 4½% 2033 following its transition into the short maturity sector in March 2026. There were also isolated calls for re-openings of other short gilts.

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<sup>1</sup> Investor engagement is welcome regarding the upcoming green gilt syndication and the UK government's updated Green Financing Framework that was published on 26 November 2025 and can be accessed here: <https://www.dmo.gov.uk/media/i2lk0loa/pr261125.pdf>. Should GEMMs or investors have any questions or wish to arrange a meeting with the DMO, please email [policy@dmogovuk](mailto:policy@dmogovuk).

## **Medium (five auctions)**

There was significant support for up to three re-openings of 4¾% 2035. There was also very strong support for up to two re-openings of 4⅛% 2033 in Q4 2025-26 and isolated calls for a third re-opening in the quarter. There were also some calls for a re-opening of 5¼% 2041 later in the quarter following its transition into the medium maturity sector in February 2026, with a few isolated calls for other medium gilts, including the potential launch of a new medium maturity gilt.

## **Index-linked (two auctions)**

The most frequently recommended index-linked gilts for issuance in Q4 2025-26 were IL 2035 and IL 2049. A minority of participants also expressed an interest in a re-opening of IL 2038 in the quarter. There were also isolated calls for a second re-opening of IL 2035, as well as for re-openings of IL 2029, IL 2031, IL 2054 and IL 2056.

## **Programmatic gilt tenders**

Participants at the meeting reaffirmed the value and importance of programmatic gilt tenders, introduced from April 2025, in providing scope for the DMO to adapt supply flexibly in response to evolving demand and market conditions during the year. There was broad support from GEMMs for the preliminary schedule of programmatic gilt tenders proposed by the DMO in January to March 2026 with one call for a medium gilt tender to take place in the quarter. Most attendees who offered an opinion agreed with retaining current flexibility over the precise maturity to be issued until closer to the planned date of each gilt tender in order better to reflect demand and market conditions nearer the time. However, some attendees advocated for issuance of short-dated gilts at the proposed January 2026 gilt tender in order to coincide with the redemption of 0⅛% 2026, citing the likelihood of reinvestment flows into the sector.

## **Gilt investors**

### **Conventional gilt syndication**

Amongst those investors who expressed an opinion, there was clear support for a re-opening of 5¼% 2041 at the syndication planned for January 2026, which was favoured by some on account of its relatively lower duration amongst gilts in the long sector. Several participants were supportive of issuance via syndication at the 30-year maturity and recommended a re-opening of 5¾% 2056. It was recommended that it might be prudent to delay making a decision about the maturity of issuance until closer to the transaction to allow for an assessment of market conditions and demand.

### **Medium green gilt syndication<sup>1</sup>**

Participants who offered a view were supportive of the launch of a new green gilt in February 2026. Most recommendations from those providing feedback were for a gilt maturing in either 2036, 2037 or 2038.

## **Conventional (10 auctions)**

### **Short (five auctions)**

Most investors who made recommendations were in favour of further re-openings of 4% 2029 and 4⅛% 2031 in Q4 2025-26 with views split between either two or three re-openings of each of these gilts.

### **Medium (five auctions)**

Attendees who expressed an opinion were generally supportive of two re-openings of 4½% 2033 and three re-openings of 4¾% 2035 in the January to March 2026 period. There was also an isolated suggestion that 5¼% 2041 could be re-opened as a medium gilt in Q4 2025-26 after transitioning into the medium maturity sector in February 2026.

### **Index-linked (two auctions)**

Where investors made suggestions, they were mainly in favour of re-openings of IL 2035 and IL 2049 during the quarter although there were also a small number of calls for a re-opening of IL 2031 or IL 2038 in Q4 2025-26.

### **Programmatic gilt tenders**

Those investors who commented were supportive of the schedule of programmatic gilt tenders proposed by the DMO. Amongst those who commented several attendees suggested a re-opening of an existing short-dated gilt at the gilt tender date proposed in January 2026 in order to provide reinvestment options, particularly to retail investors, following the redemption of 0½% 2026 on 30 January 2026.

### **Timetable**

The DMO will announce the details of the gilt operations calendar for January to March 2026 at 7.30am on Friday 5 December 2025.

The next consultations to discuss gilt issuance in the period April to June 2026 are currently scheduled for 3.30pm (gilt market investors) and 5.00pm (GEMMs) on Monday 16 March 2026<sup>2</sup>.

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<sup>2</sup> Subject to confirmation pending any decision by the Chancellor on the timing of fiscal events.