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6 November 2015

PRESS NOTICE

SYNDICATED RE-OPENING OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2046 IN THE WEEK COMMENCING 30 NOVEMBER 2015

RESCHEDULING OF THE AUCTION OF 1 $\frac{1}{2}$ % TREASURY GILT 2021 TO 2 DECEMBER 2015

The UK Debt Management Office (DMO) is announcing today that the fifth syndication of the 2015-16 programme will be a re-opening of 0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2046. The DMO expects that the sale will take place in the week commencing 30 November 2015, subject to market conditions.

Further details of the sale, including the composition of the syndicate, will be announced in due course.

Given the planned timing of the next syndication, and in accordance with the terms of the DMO's financing remit announcement¹, the auction of 1 $\frac{1}{2}$ % Treasury Gilt 2021, previously scheduled for Tuesday 1 December 2015 is being moved to Wednesday 2 December 2015. The size and other details of the auction will be announced, as previously stated, at 3.30pm on Tuesday 24 November.

¹ See paragraph 14 of the DMO's March 2015 remit announcement, which is available on the DMO's website at:

http://www.dmo.gov.uk/documentview.aspx?docname=remit/sa180315.pdf&page=Remit/full_details

Notes for editors

The DMO's financing remit for 2015-16, published alongside the Budget on 18 March 2015, included the provision for a programme of syndications to be held in 2015-16 aiming to raise a minimum of £24.2 billion (split £14.9 billion index-linked gilts and £9.3 billion long conventional gilts). Six transactions are currently assumed (four of index-linked gilts and two of long conventional gilts).

The DMO also announced on 18 March 2015 that, as previously, it envisaged using the syndication programme in 2015-16 to launch new gilts and/or for re-openings of high duration gilts.

The size of the syndication programme can be increased in-year via accessing an initially unallocated portion of supplementary issuance, which can be allocated either to syndicated offers or, subject to demand, mini-tenders.

The initial unallocated portion of supplementary gilt issuance was £4.0 billion (cash). In the financial year to-date this has been reduced by £2.0 billion, as a result of:

- £1.0 billion allocated to the gilt mini-tender of 4¼% Treasury Gilt 2055 on 4 June 2015;
- £0.3 billion allocated to the syndication of 0⅞% Index-linked Treasury Gilt 2046 on 23 June 2015;
- £0.5 billion allocated to the syndication of 0⅞% Index-linked Treasury Gilt 2068 on 22 September 2015; and
- £0.2 billion allocated to the syndication of 2½% Treasury Gilt 2065 on 20 October 2015.

As a result of the above allocations, the overall size of the syndication programme in 2015-16 has risen to £25.2 billion (cash). The minimum size of the index-linked gilt syndication programme is currently £15.7 billion and sales to date are £8.3 billion.

Four syndications have been held to-date in 2015-16, including the launch of 0⅞% Index-linked Treasury Gilt 2046 in June 2015. The results are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
23-Jun-15	0⅞% Index-linked Treasury Gilt 2046	3,250	123.840	-0.582	4,018
21-Jul-15	3½% Treasury Gilt 2068	4,000	121.310	2.736	4,844
22-Sep-15	0⅞% Index-linked Treasury Gilt 2068	2,500	166.002	-0.866	4,294
20-Oct-15	2½% Treasury Gilt 2065	4,750	98.403	2.557	4,663
<i>Figures may not sum due to rounding</i>					17,820

It is planned that the sixth (and final) syndication of the 2015-16 programme (of an index-linked gilt) will be held in the period January-March 2016.

Re-scheduling of a gilt auction

Paragraph 14 of the DMO's financing remit announcement of 18 March 2015 provides for the re-scheduling of a gilt auction to accommodate a syndicated gilt offer. The relevant provision is below:

“In order to facilitate the scheduling of a syndicated offering, the DMO may, on an exceptional basis alter the timing of an existing gilt auction. An auction may be moved to another day in the week in which it was originally scheduled, to the previous week or to the following week. Any such changes may occur after the publication of the relevant quarterly issuance calendar but, if so, with a minimum of at least one week's notice. Any such changes would be announced alongside an announcement about the likely timing of a syndicated offering”.

This press notice will be appearing on the DMO's website at: www.dmo.gov.uk