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PRESS NOTICE

SYNDICATED RE-OPENING OF £2.5 BILLION NOMINAL OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2041: RESULT

The United Kingdom Debt Management Office (DMO) announces that the syndicated re-opening of £2.5 billion (nominal) of 0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2041 has been priced at £162.728 per £100 nominal, equating to a gross real redemption yield of -2.0942%. The transaction will settle, and the third tranche of this gilt will be issued, on 10 July 2019, from which date the gilt will have £8.25 billion (nominal) in issue (£8.50 billion uplifted nominal).

Proceeds from today's transaction are expected to amount to approximately £4.2 billion (cash¹). This represents the second transaction of the DMO's 2019-20 syndication programme, which is planned to raise £21.4 billion (£13.4 billion of long conventional gilts in three transactions and £8.0 billion of index-linked gilts in two transactions).

The offering was priced at a yield spread of 3.75 basis points (bps) above the yield on 0 $\frac{5}{8}$ % Index-linked Treasury Gilt 2040, which represented the tight end of the published price guidance. The UK domestic market provided the predominant support for the issue, taking around 87% of the allocation.

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

Today has seen a very successful second re-opening of our 2041 maturity index-linked gilt. This syndicated offering has contributed to building up the 2041 gilt towards benchmark size and it represents an encouraging start to our index-linked gilt syndication programme for 2019-20.

The transaction was smoothly executed and well-received by the market. Consistent with the feedback we had received prior to the sale, there was strong demand for the bond and from high quality investors which underscores the ongoing strength of the gilt market.

¹ Figures in this Press Notice are in cash terms unless indicated otherwise.

I very much appreciate the continuing support we receive from both our investor base and our primary dealers. This support is important in helping us successfully to deliver the UK's financing programme, both today and over the long term. I look forward to seeing this support continuing across our financing remit in 2019-20 and beyond.

NOTES TO EDITORS

The syndicated offering was managed by four Joint Bookrunners: Goldman Sachs International Bank, J.P. Morgan, Nomura and UBS Investment Bank. All other panel member Index-linked Gilt-edged Market Makers were Co-Lead Managers. The composition of the syndicate was announced by the DMO on 28 June 2019.

The order book for the transaction was opened at 9.00am on 9 July 2019 with indicative price guidance for investors at a spread of 3.75bps to 4.00bps above the yield on 0% Index-linked Treasury Gilt 2040 (the reference gilt). At 9.30am the Joint Bookrunners announced that the value of orders exceeded £17.4 billion, and that the book was expected to close at 10.00am. At 9.45am the Joint Bookrunners announced that orders exceeded £19 billion, that price guidance was being fixed at a yield spread of 3.75bps above the reference gilt, and that the book would close at 10.00am.

The book closed at 10.00am with 84 orders totalling £20.5 billion (nominal). At 10.26am the Joint Bookrunners announced that the size of the transaction had been set at £2.5 billion (nominal). The price was set at 12.41pm.

Proceeds from the transaction amount to approximately £4.2 billion and will take index-linked gilt sales for the financial year to-date to £7.8 billion. Total gilt sales for the financial year to date now amount to £36.7 billion, relative to the overall remit target of £117.8 billion.

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