



PRESS NOTICE

CALENDAR OF GILT AUCTIONS IN DECEMBER 2020

In December 2020 the UK Debt Management Office (DMO) plans to hold seven gilt auctions as set out in Table 1 below.

Table 1: Gilt auction calendar: December 2020

Auction date and close of bidding time		Gilt	Size/further details announced at 3.30pm
Tuesday 1 December	10.00am	0½% Treasury Gilt 2026	Tuesday 24 November
	11.30am	1¼% Treasury Gilt 2041	
Wednesday 2 December	10.00am	0½% Index-linked Treasury Gilt 2028	Wednesday 25 November
	11.30am	0¼% Treasury Gilt 2031	
Tuesday 8 December	10.00am	0½% Treasury Gilt 2024	Tuesday 1 December
	11.30am	0½% Treasury Gilt 2050	
Wednesday 9 December	10.00am	0½% Treasury Gilt 2035	Wednesday 2 December

Auction size ranges

Average conventional gilt auction sizes (cash amounts) in December 2020 are generally expected to be in the following ranges by maturity sector: 1-5 years - £3,000 million to £3,750 million; 5-7 years - £2,750 million to £3,500 million; 7-15 years - £2,500 million to £3,250 million; 15-30 years - £1,750 million to £2,500 million; and 30+ years - £1,500 million to £2,250 million.

Average sizes (cash amounts) for index-linked gilt auctions are generally expected to be in the following ranges: up to 10-year maturity - £1,250 million to £1,750 million; over 10-year maturity - £1,000 million to £1,500 million.

The DMO will size gilt auctions on a case-by-case basis and, therefore, the size of any individual auction (in cash terms) may depart from the ranges set out above.

Other operational parameters for these auctions will follow those in place since April 2020, as detailed in the Annex to this Press Notice.

Gilt tenders

As usual, the DMO would be interested to receive any representations from market participants about demand for a gilt tender, or gilt tenders, in December 2020. Views on particular gilts to issue and the timing of any such tenders would be welcome. The DMO will aim to announce the date, the gilt to be sold and the maximum size of any gilt tender at least two business days in advance.

NOTES FOR EDITORS

The DMO launched an informal consultation on the gilt auction calendar for December 2020 on Tuesday 10 November 2020, with a deadline for responses of noon on Wednesday 11 November 2020. Today's announcement takes account of the responses received.

A revision to the DMO's financing remit for financial year 2020-21, which will include a forecast of the net financing requirement for the whole of the financial year, will be published on Wednesday 25 November 2020, following the conclusion of the Chancellor of the Exchequer's announcement of the 2020 Spending Review and the publication of the Office for Budget Responsibility's Economic and Fiscal Outlook.

Consultation conference calls to discuss the gilt operations calendar for January-March 2021 are scheduled to take place on Monday 30 November 2020. The DMO will publish details of the January-March 2021 gilt operations calendar at 7.30am on Friday 4 December 2020.

ANNEX – Operational parameters for gilt auctions in December 2020

Auction terms and conditions

Auction terms and conditions will continue to be announced at 3.30pm on the day exactly one calendar week before the date of each operation.

Auction timings

In cases where there is a single auction on one day, the bidding window will operate from 9.00am to 10.00am.

In cases where there are two auctions on one day, the bidding window for the first gilt auction will operate from 9.00am to 10.00am, and for the second from 10.30am to 11.30am.

Post Auction Option Facility

The Post Auction Option Facility (PAOF) entitlements for successful auction bidders – Gilt-edged Market Makers and indirect client bidders – will remain at 25%.

In cases where there is a single auction on one day, the PAOF window will operate from 12.30pm to 1.00pm.

In cases where there are two auctions on one day, the PAOF windows will operate from 12.30pm to 1.00pm for the first auction and from 2.00pm to 2.30pm for the second auction.

Direct participation in gilt auctions by private investors who are members of the Approved Group

The facility for members of the Approved Group to participate directly in gilt auctions through the gilt registrar, Computershare Investor Services PLC, remains suspended. Members may be eligible as an alternative to purchase gilts through the DMO's Purchase & Sale Service (<https://www.dmo.gov.uk/responsibilities/gilt-market/buying-selling/purchase-sale-service/>).