



9 June 2020

## PRESS NOTICE

### **SYNDICATED LAUNCH OF £9.0 BILLION NOMINAL OF 0<sup>5</sup>/<sub>8</sub>% TREASURY GILT 2050: RESULT**

The United Kingdom Debt Management Office (DMO) announces that the syndicated launch of £9.0 billion (nominal) of 0<sup>5</sup>/<sub>8</sub>% Treasury Gilt 2050 has been priced at £96.343 per £100 nominal, equating to a gross redemption yield of 0.7601%. The transaction will settle, and the first tranche of this gilt will be issued, on 10 June 2020.

Proceeds from today's transaction are expected to amount to approximately £8.7 billion (cash<sup>1</sup>) and will take gilt proceeds in the financial year to date to £143.0 billion. The DMO is currently planning to raise £225.0 billion in gilt sales in the period April-July 2020.

This was the third transaction in the DMO's 2020-21 syndication programme. Today's offering, representing a new bond at the benchmark 30-year maturity, was priced at a yield spread of 0.5 basis points (bps) above the yield on 1<sup>3</sup>/<sub>4</sub>% Treasury Gilt 2049. This represented the tight end of the published price guidance. The UK domestic market provided the main support for the issue, taking around 91% of the allocation.

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

*Today has seen another very successful transaction both for the DMO and for the gilt market. It represents the completion of a historic trio of syndicated offerings for us in just under a month. Together these three transactions have raised over £27 billion, representing around £7 billion more than the entire syndication programme in 2019-20.*

*The size of the transaction reflects both the volume and high quality of the demand from our core investor base. Today also saw the largest number of investor orders received at any DMO syndication: 192 separate orders. This provides another very encouraging indication of the*

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<sup>1</sup> Figures in this Press Notice are in cash terms unless indicated otherwise.

*strength and depth of the gilt market and the degree of support we receive from market participants in delivering a record gilt financing programme.*

*The robust market response to today's sale, which has enabled us to launch our new 30-year gilt in very substantial size, should serve to benefit the bond's liquidity as we build it up further to establish its status as our new 30-year benchmark gilt.*

## **NOTES TO EDITORS**

The syndicated offer was managed by five Joint Bookrunners: Barclays, Goldman Sachs International, J.P. Morgan, Nomura and Santander. All other wholesale Gilt-edged Market Makers were Co-Lead Managers. The composition of the syndicate was announced by the DMO on 29 May 2020.

The order book for the transaction was opened at 8.30am on 9 June 2020 with indicative price guidance for investors at a spread of 1.0bp to 0.5bp above the yield on 1¾% Treasury Gilt 2049 (the reference gilt). At 9.00am the Joint Bookrunners announced that the total value of orders exceeded £57 billion and that the book was expected to close at 9.30am. At 9.15am the Joint Bookrunners announced that orders exceeded £60 billion, that price guidance was being fixed at a yield spread of 0.5bp above the reference gilt, and that the order book would close at 9.30am.

The book closed at 9.30am with 192 orders totalling £72.8 billion (nominal). At 10.08am the Joint Bookrunners announced that the size of the transaction had been set at £9.0 billion (nominal). The price was set at 1.06pm.

This press notice will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk)