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3 February 2017

PRESS NOTICE

SYNDICATED RE-OPENING OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2065 IN THE WEEK COMMENCING 20 FEBRUARY 2017

RE-SCHEDULING OF THE AUCTION OF 1 $\frac{1}{2}$ % TREASURY GILT 2026 TO THURSDAY 23 FEBRUARY 2017

The UK Debt Management Office (DMO) is announcing today that the seventh and final syndication of the 2016-17 programme will be a re-opening of 0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2065, scheduled to take place in the week commencing 20 February 2017, subject to market and demand conditions.

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

The DMO is also announcing today that the auction of 1 $\frac{1}{2}$ % Treasury Gilt 2026, previously scheduled for Tuesday 21 February 2017, is being moved to Thursday 23 February 2017.

Notes for editors

The DMO's financing remit for 2016-17, published alongside the Budget on 16 March 2016, included the provision for a programme of syndicated offerings to be held in 2016-17 aiming to raise a minimum of £25.5 billion (split £16.0 billion index-linked gilts and £9.5 billion long conventional gilts). The DMO also announced that it envisaged holding six syndicated offerings (four of index-linked gilts and two of long conventional gilts) in 2016-17.

Any type and maturity of gilt can be sold through syndication; however, the syndication programme in 2016-17 has been used only to launch new long conventional and index-linked gilts and for re-openings of high duration gilts.

The size of the syndication programme has been increased in-year via accessing an initially unallocated portion of issuance, which can be used to issue any type or

maturity of gilt via any issuance method. The initial size of the unallocated portion of issuance was £8.0 billion.

A total of £2.55 billion of the unallocated portion of issuance has been used to increase the size of four of the syndications held in the current financial year to date; these and other draw-downs from the unallocated portion are summarised in the table below. The balance of the unallocated portion of issuance is currently £1.34 billion.

Date	Size of draw-down (£mn)	Purpose
24-May-16	500	Increase the size of the IL 2046 syndication
12-Jul-16	912	Gilt tender of 4% 2060
26-Jul-16	1,000	Increase the size of the IL 2065 syndication
31-Aug-16	1,500	Increase the size of short, medium and long auctions
27-Sep-16	872	Gilt tender of IL 2052
25-Oct-16	750	Increase the size of the 2½% 2065 syndication
02-Nov-16	824	Gilt tender of IL 2040
24-Jan-17	300	Increase the size of the 1¾% 2057 syndication
	6,658	
Balance	1,342	

At Autumn Statement 2016 on 23 November 2016, the overall size of the syndication programme was increased by £4.3 billion to a minimum of £32.1 billion, split as follows:

- Long conventional gilts: an increase of £4.0 billion to £14.3 billion, with an additional syndication scheduled.
- Index-linked gilts: an increase of £0.3 billion to £17.8 billion.

On 2 December 2016 the DMO announced that it planned to hold two syndications in the final quarter of the financial year, as follows:

- Second half of January: a long conventional gilt with a maturity in the 40-year area or longer; and
- Second half of February: a long index-linked gilt.

Six syndications have been held in 2016-17 to date, raising £28.5 billion; the results are summarised in the table below.

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
26 Apr 2016	2½% Treasury Gilt 2065	4,750	106.164	2.291	5,033
24 May 2016	0½% Index-linked Treasury Gilt 2046	3,500	131.617	-0.810	4,655
26 Jul 2016	0½% Index-linked Treasury Gilt 2065	2,500	201.335	-1.325	5,058
25 Oct 2016	2½% Treasury Gilt 2065	4,000	130.500	1.597	5,212
29 Nov 2016	0½% Index-linked Treasury Gilt 2056	2,250	186.909	-1.466	4,200
24 Jan 2017	1¾% Treasury Gilt 2057	4,500	96.686	1.867	4,341
<i>Figures may not sum due to rounding</i>					28,500

The DMO is moving the auction of 1½% Treasury Gilt 2026 in accordance with the provisions of paragraph 13 of its 2016-17 Remit announcement dated 16 March 2016, which states that:

“In order to facilitate the scheduling of a syndicated offering, the DMO may alter the scheduling 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 syndication”.

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