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Debt Management
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PRESS NOTICE

SYNDICATED RE-OPENING OF 0 $\frac{1}{8}$ % INDEX-LINKED TREASURY GILT 2041 PLANNED FOR THE WEEK COMMENCING 4 FEBRUARY 2019

The United Kingdom Debt Management Office (DMO) announces that it is currently planning to re-open 0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2041 by syndication in the week commencing 4 February 2019. As usual, the scheduling of the transaction will be subject to prevailing market and demand conditions.

This transaction will be the fourth and final syndication in the 2018-19 remit. Syndications have raised £15.4 billion in the financial year to date.

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

Notes for editors

The DMO's financing remit for 2018-19, published alongside the Spring Statement on 13 March 2018, included the provision for a programme of syndicated offerings to be held in 2018-19 aiming to raise a minimum of £17.0 billion¹ (split £9.0 billion of long conventional gilts and £8.0 billion of index-linked gilts). The DMO also announced that it envisaged holding four syndicated offerings (two each of long conventional gilts and index-linked gilts) in 2018-19.

At the remit revision announced alongside the publication of the 2017-18 CGNCR (ex NRAM, B&B and NR)² outturn on 24 April 2018, the minimum size of the syndication

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

² Central Government Net Cash Requirement (excluding Northern Rock (Asset Management) (NRAM), Bradford and Bingley (B&B) and Network Rail (NR)).

programme in 2018-19 was increased by £1.0 billion to £18.0 billion with the increase split equally between the long conventional and index-linked gilt programmes, taking the minimum sizes of those programmes to £9.5 billion and £8.5 billion respectively.

The remit for 2018-19 also included an initially unallocated portion of gilt issuance of £6.6 billion, which was increased to £6.7 billion at the remit revision on 24 April 2018. The remit provides that this portion can be used to issue any type or maturity of gilt via any issuance method. It is expected, however, that the unallocated portion will primarily be used to increase the size of syndicated offerings (where warranted by the size and quality of demand), and/or to increase average sizes of gilt auctions (for example, if they are reduced by the take-up of the Post Auction Option Facility (PAOF)). The unallocated portion can also be used to schedule gilt tenders.

As a consequence of the sizing decisions at the first two syndications in the 2018-19 programme £1.0 billion of the unallocated portion of issuance was transferred to the long conventional syndication programme on 15 May 2018 and £600 million was transferred to the index-linked syndication programme on 11 July 2018.

At the Autumn Budget on 29 October 2018, the planned size of the index-linked syndication programme was reduced by £700 million to £8.4 billion and the size of the unallocated portion of gilt issuance was reduced by £2.1 billion³, leaving a residual balance after Autumn Budget 2018 of £1.5 billion.

The results of the three syndications held to-date in 2018-19 are summarised in the table below:

Date	Gilt	Size (£mn nom)	Issue Price (£)	Issue Yield (%)	Proceeds (£mn cash)
15 May 2018	1½% Treasury Gilt 2071	6,000	97.615	1.693	5,843
11 Jul 2018	0% Index-linked Treasury Gilt 2041	3,250	148.973	-1.617	4,835
09 Oct 2018	1½% Treasury Gilt 2071	5,250	90.085	1.924	4,719
<i>Figures may not sum due to rounding.</i>					15,397

On 30 November 2018, the DMO announced plans to re-open 0½% Index-linked Treasury Gilt 2041 by syndication in the late January-mid February 2019.

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

³ £1.5 billion of the unallocated pot had earlier been transferred to the gilt auction programme on 31 August 2018.