



## PRESS NOTICE

### GILT OPERATIONS IN JULY TO AUGUST 2020 AND ANNOUNCEMENT OF THE FORTHCOMING REMIT REVISION ON 16 JULY 2020

In the period July to August 2020, the UK Debt Management Office (DMO) plans to hold 33 outright gilt auctions as detailed in the table below.

#### 1. Outright gilt auctions in July to August 2020<sup>1</sup>

Auction date and close of bidding time		Gilt	Size/further details announced at 3.30pm
Wednesday 1 July	10.00am	0 $\frac{1}{8}$ % Treasury Gilt 2028	£3,000 million nominal
	11.30am	0 $\frac{5}{8}$ % Treasury Gilt 2050	£2,250 million nominal
Thursday 2 July	10.00am	0 $\frac{5}{8}$ % Treasury Gilt 2025	£3,500 million nominal
	11.30am	4 $\frac{1}{2}$ % Treasury Gilt 2034	£2,000 million nominal
Tuesday 7 July	10.00am	0 $\frac{1}{8}$ % Treasury Gilt 2023	£3,750 million nominal
	11.30am	1 $\frac{1}{4}$ % Treasury Gilt 2041	£2,250 million nominal
Thursday 9 July	10.00am	0 $\frac{1}{8}$ % Index-linked Treasury Gilt 2041	£900 million nominal
Tuesday 14 July	10.00am	0 $\frac{1}{8}$ % Treasury Gilt 2026	Tuesday 7 July
	11.30am	0 $\frac{3}{8}$ % Treasury Gilt 2030	
Wednesday 15 July	10.00am	2 $\frac{1}{4}$ % Treasury Gilt 2023	Wednesday 8 July
	11.30am	1 $\frac{3}{4}$ % Treasury Gilt 2057	

<sup>1</sup> Following receipt of feedback from market participants as requested by the DMO, some amendments have been made to the planned gilt auction calendar relative to the proposed calendar set out in the remit revision announcement published on Monday 29 June 2020: (i) the second auction on Tuesday 28 July will now be for a long conventional gilt rather than a medium conventional gilt; (ii) the second auction on Wednesday 29 July will now be for a medium conventional gilt rather than a long conventional gilt; and (iii) the index-linked gilt auction originally planned for 11.30am on Wednesday 19 August 2020 will now take place at 10.00am on Thursday 20 August 2020.

Tuesday 21 July	10.00am	1½% Treasury Gilt 2026	Tuesday 14 July
	11.30am	0½% Treasury Gilt 2050	
Wednesday 22 July	10.00am	0⅛% Treasury Gilt 2028	Wednesday 15 July
	11.30am	1¼% Index-linked Treasury Gilt 2032	
Tuesday 28 July	10.00am	1¼% Treasury Gilt 2027	Tuesday 21 July
	11.30am	1⅝% Treasury Gilt 2054	
Wednesday 29 July	10.00am	0⅛% Treasury Gilt 2023	Wednesday 22 July
	11.30am	1⅝% Treasury Gilt 2028	
Tuesday 4 August	10.00am	0⅛% Treasury Gilt 2026	Tuesday 28 July
	11.30am	1¼% Treasury Gilt 2041	
Wednesday 5 August	10.00am	0⅜% Treasury Gilt 2030	Wednesday 29 July
	11.30am	0⅛% Index-linked Treasury Gilt 2048	
Tuesday 11 August	10.00am	0⅝% Treasury Gilt 2025	Tuesday 4 August
	11.30am	1¾% Treasury Gilt 2057	
Wednesday 12 August	10.00am	0⅛% Treasury Gilt 2028	Wednesday 5 August
Tuesday 18 August	10.00am	0⅛% Treasury Gilt 2023	Tuesday 11 August
	11.30am	0⅝% Treasury Gilt 2050	
Wednesday 19 August	10.00am	0⅞% Treasury Gilt 2029	Wednesday 12 August
Thursday 20 August	10.00am	0⅛% Index-linked Treasury Gilt 2028	Thursday 13 August
Tuesday 25 August	10.00am	0⅛% Treasury Gilt 2026	Tuesday 18 August
	11.30am	1⅝% Treasury Gilt 2054	
Wednesday 26 August	10.00am	0⅜% Treasury Gilt 2030	Wednesday 19 August

### Syndication programme

The DMO has no current plans to hold any syndicated offerings in the period July to August 2020.

## Gilt tender(s)

The DMO is interested in receiving representations from market participants about demand for a gilt tender, or gilt tenders, in the period July to August 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.

## Remit revision for September to November 2020

The DMO is also announcing today that a further revision to the DMO's financing remit for 2020-21, covering the period September to November 2020, will be published at 7.30am on Thursday 16 July 2020.

The DMO will schedule consultations (via conference calls) with market participants to discuss the gilt operations calendar for September to November 2020 on Monday 27 July (at 3.30pm with end-investors and at 5.00pm with GEMMs). An agenda for these consultations will be published at 3.30pm on Monday 20 July 2020. The DMO will publish details of the September to November 2020 gilt operations calendar at 7.30am on Friday 31 July 2020.

## Notes for editors

On 31 March 2020 the DMO published a revised gilt operations calendar and announced plans to raise £45.0 billion in April 2020 ahead of a remit revision to be announced on 23 April 2020.

On 23 April 2020 the DMO announced plans to raise £180 billion during the period May to July 2020. This announcement took planned gilt sales in the period April to July 2020 to £225 billion.

On 29 June 2020 the DMO announced plans to raise a minimum of £275 billion in the period April to August 2020.

The progress of gilt sales in the period April to August 2020 to-date is shown in the table below.

	Conventional Gilts			Index-linked gilts	Total
	Short	Medium	Long		
Auction proceeds to-date	65,533	40,187	31,684	7,760	145,164
PAOF proceeds to-date	7,539	5,417	4,832	1,308	19,096
<b>Auction and PAOF proceeds to-date</b>	<b>73,073</b>	<b>45,604</b>	<b>36,516</b>	<b>9,068</b>	<b>164,260</b>
Syndication sales to-date	0	12,008	15,418	0	27,426
Gilt tender sales to date	0	3,361	0	0	3,361
<b>Total gilt sales to date</b>	<b>73,073</b>	<b>60,973</b>	<b>51,934</b>	<b>9,068</b>	<b>195,047</b>
<b>Planned gilt sales April-August 2020</b>					<b>275,000</b>

For the period July to August 2020, the DMO is retaining the operational parameters (including size ranges) and approach to auction calendar design that have been in place since May 2020 (see Annex for details).

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

## **ANNEX – operational parameters for gilt auctions in July to August 2020**

### **Auction size ranges**

Average conventional gilt auction sizes (cash amounts) are generally expected to be in the following ranges by maturity sector: 1-5 years - £3,250 million to £4,000 million; 5-7 years - £3,000 million to £3,750 million; 7-15 years - £2,750 million to £3,500 million; 15-30 years - £2,000 million to £2,750 million; and 30+ years - £1,750 million to £2,500 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.

### **Auction terms and conditions**

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

### **Auction timings**

In cases where there is one auction on a 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 one auction on a 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/>).