

DMO SCREEN ANNOUNCEMENT: 8 MAY 2000

CASH MANAGEMENT – SPECTRUM AUCTION

The DMO's announcement of 27 April 2000 indicated that arrangements would be put in place to smooth the payments flowing to the Government from the bidders. It has since been confirmed that some of these payments will be made for value on 9 May 2000.

The DMO has put in place arrangements to smooth the bulk of the flows due on 9 May 2000 mainly by offsetting the receipts against other Government transactions. In addition, the DMO intends, as indicated in the earlier announcement, to place cash received back into the market by holding an ad hoc reverse repo tender.

The ad hoc reverse repo tender is expected to be held at 8.30am on 9 May 2000 and will be open to the DMO's cash management counterparties only. The DMO intends to invite bids for up to £1,000 million nominal of cash, on a bid yield basis, for same day settlement and maturing on 9 June 2000. In terms of collateral, the DMO will be prepared to accept gilts on either a general collateral or delivery-by-value basis. The DMO will confirm the details of the tender at 8.30am on 9 May 2000. Other arrangements are as set out in the Exchequer Cash Management Operational Notice issued by the DMO on 6 January 2000.

The DMO has in hand arrangements for handling future payments from bidders; and will make any further announcements as necessary.