

## **RECORD OF THE DMO CONSULTATIONS WITH GILT MARKET PARTICIPANTS AHEAD OF THE ANNOUNCEMENT OF THE JULY TO SEPTEMBER 2025 GILT OPERATIONS CALENDAR**

The DMO held consultations with the Gilt-edged Market Makers (GEMMs) and with representatives of gilt investors on Monday 12 May 2025 in hybrid form, with some participants attending at the DMO's offices and others joining via conference/video call.

The consultations were primarily intended to inform the choice of gilts to be sold via auction and syndication in the second quarter of financial year 2025-26, as well as the dates and maturity sectors for programmatic gilt tenders in the period.

The DMO set out a schedule of 18 gilt auction dates in the July to September 2025 period, together with a proposed maturity split for conventional gilt auctions. The DMO is also planning to schedule one syndicated offering during the period for the sale of a new medium conventional gilt with the transaction planned to take place in September 2025. The DMO set out preliminary proposals for a schedule of programmatic gilt tenders in Q2 2025-26.

In discussion, the following main points emerged.

### **GEMMs**

#### **Medium conventional gilt syndication**

Strong support was expressed for the scheduling of a medium conventional syndication in Q2 2025-26 for a gilt maturing in either 2035 or 2036. Where opinions were provided about the maturity month, a range of suggestions were made for September, October or December 2035, or January 2036. There were also isolated calls for a new 7-year or 12-year maturity as an alternative to a new 10-year gilt, although there was also a recommendation to leave open the maturity decision until closer to the planned transaction.

#### **Conventional (14 auctions)**

##### **Short (seven auctions)**

Unanimous support was expressed for one re-opening of 4¾% 2028 with some in favour of a second re-opening and some recommending a third re-opening of this gilt in Q2 2025-26. Attendees were also strongly in favour of re-opening 4¾% 2030 in the quarter with the majority recommending two re-openings and some suggesting three issuances in Q2 2025-26. Participants expressed strong support for one re-opening of 4% 2031 with a few calls for two re-openings. There were also a few calls for the launch of new gilts in the quarter with a range of maturities mentioned by those who put forward recommendations.

##### **Medium (four auctions)**

Participants expressed strong support for two re-openings each of 4½% 2035 and 4¾% 2040 in Q2 2025-26. There was also an isolated call for a re-opening of 0¾% Green Gilt 2033.

##### **Long (three auctions)**

Support was expressed for re-opening 1½% Green Gilt 2053 in the July to September 2025 period with several recommendations for re-openings of 4¾% 2043 and 4% 2063 in the period. Attendees also favoured re-opening, later in Q2 2025-26, the new long conventional gilt maturing in January 2056, planned for launch via syndication in the week commencing 19 May

2025, subject to demand and market conditions. There were also isolated calls for a re-opening of 0½% 2061.

### **Index-linked (four auctions)**

The index-linked gilts most often recommended for issuance in Q2 2025-26 were re-openings of IL 2035, IL 2045 and IL 2049. Several expressions of interest were also received for re-openings of IL 2054 and IL 2056. There were also isolated calls for re-openings of other index-linked gilts including IL 2029, IL 2031 and IL 2036, as well as the launch of a new index-linked gilt in the 5-year maturity area or a new IL 2038 gilt.

### **Programmatic gilt tenders**

There was broad support amongst participants for the DMO's proposed schedule of dates and maturity sectors for programmatic gilt tenders in Q2 2025-26. A range of views were expressed including several suggestions in favour of skewing issuance more towards short conventional gilts and away from index-linked issuance in the quarter. There were also isolated calls for long-dated, rather than short-dated, conventional issuance.

### **Gilt investors**

#### **Medium conventional gilt syndication**

Amongst those investors who expressed an opinion, there was clear support for issuance of a new 10-year conventional gilt in Q2 2025-26, with launch in September 2025 favoured by many who offered a view. Maturity months mentioned included July, September and December 2035, and January 2036.

#### **Conventional (14 auctions)**

##### **Short (seven auctions)**

Investors who provided a view supported further issuance of 4¾% 2028, 4¾% 2030 and 4% 2031 in Q2 2025-26, with isolated calls for one re-opening of 4½% 2029. There were also several suggestions for the launch during the quarter of a new 7-year maturity gilt and a few calls for the launch of a new gilt in the 3-year maturity area.

##### **Medium (four auctions)**

Investors who provided an opinion expressed a preference for two re-openings of each of 4½% 2035 and 4¾% 2040 during the quarter.

##### **Long (three auctions)**

Where opinions were provided, attendees generally stated a preference for long-dated gilt issuance in the 20- to 30-year area of the curve, with support expressed for re-openings of 1½% Green Gilt 2053 and the new long gilt maturing in January 2056 planned for launch in the week commencing 19 May 2025, subject to demand and market conditions. Several participants also noted their support for a re-opening of 4¾% 2043. There were isolated calls for re-openings of 4¼% 2049, 4% 2063, 3½% 2068 and for the launch of a new gilt in the 20-year maturity area.

### **Index-linked (four auctions)**

Where investors provided feedback, they generally preferred issuance of index-linked gilts at shorter maturities with further issuance of IL 2035 proposed by most attendees who commented. There were also recommendations for issuance at a range of other maturities with calls for re-openings of IL 2031, IL 2045, IL 2046, IL 2049, IL 2054, IL 2056 and IL 2073.

### **Programmatic gilt tenders**

Investors were supportive of the schedule of programmatic gilt tenders proposed by the DMO in Q2 2025-26. A range of gilts were suggested potentially for issuance via programmatic gilt tenders, with many who offered an opinion stating a preference for lower coupon off-the-run gilts. There were also some suggestions for higher coupon off-the-run gilts to be issued and for issuance to be spread out across the different maturity sectors.

### **Timetable**

The DMO will announce the details of the gilt operations calendar for July to September 2025 at 7.30am on Friday 30 May 2025.

The next consultations to discuss gilt issuance in the period October to December 2025 are currently scheduled for 3.30pm (gilt market investors) and 5.00pm (GEMMs) on Tuesday 26 August 2025.