

AGENDA FOR THE CONSULTATION MEETINGS WITH GILT MARKET INVESTORS (3.30PM) AND GEMMS (5.00PM) TO DISCUSS GILT ISSUANCE IN JULY-SEPTEMBER 2012, ON MONDAY 28 MAY 2012 at:

EASTCHEAP COURT, 11 PHILPOT LANE, LONDON EC3M 8UD

The DMO would like to invite up to 20 end-investors to contribute to a discussion on gilt issuance in July-September 2012. Attendees may be nominated by their representative organisations (e.g. NAPF, ABI etc.) or they may contact the DMO directly. Spaces are allocated on a first come, first served basis, at the DMO's discretion. Places will be limited to one person per organisation. Please contact Sarah Ellis sarah.ellis@dmo.gsi.gov.uk (0845 357 6525) or Steve Whiting steve.whiting@dmo.gsi.gov.uk (0845 357 6532) by close Friday 25 May 2012 if you would like to attend.

1. **Review of gilt market operations in April – May 2012.**
2. **The DMO anticipates holding two syndicated offerings in Q2 2012-13 and is seeking views on the timings and types of gilts for these syndications.**
3. **Choice of conventional and index-linked gilts for auctions scheduled in July-September 2012.**
4. **The DMO is interested in any views at this stage on the timing of up to two mini-tenders in Q2 2012-13.**
5. **Royal Mail Pension Plan gilts cancellation.**
6. **Any other business.**

Table 1 below lists the 12 auctions in July-September 2012. To facilitate discussion a possible schedule of conventional gilt issuance by maturity is provided in Table 2. The DMO welcomes market views on auction scheduling.

The DMO's ongoing policy is to build up gilts to benchmark size, taking into account the impact of issuance on the redemption profile. The schedule of issuance in Table 2 is an example of the DMO's preference to provide regularity of issuance by maturity and type.

**Table 1:
July-September
Issuance Calendar**

3-Jul	Conventional
4-Jul	Conventional
10-Jul	Index-linked
12-Jul	Conventional
19-Jul	Conventional
16-Aug	Conventional
21-Aug	Index-linked
23-Aug	Conventional
5-Sep	Conventional
11-Sep	Index-linked
13-Sep	Conventional
20-Sep	Conventional

**Table 2:
Suggested Maturity Split
(Conventional Auctions)**

3-Jul	Long
4-Jul	Short
10-Jul	IL
12-Jul	Medium
19-Jul	Long
16-Aug	Long
21-Aug	IL
23-Aug	Short
5-Sep	Long
11-Sep	IL
13-Sep	Medium
20-Sep	Short

Conventional gilt issuance

The DMO is planning that there will be three short, two medium and four long conventional auctions in July to September 2012.

- Short (three auctions): the DMO anticipates at least two re-openings of the current 5-year benchmark 1% 2017 but welcomes views on this and on the timing of re-openings. The DMO also welcomes views on any other short conventional candidates for auction in Q2 2012-13, taking into account the near-term redemption profile.
- Medium (two auctions): the DMO envisages re-opening the new 10-year benchmark (to be launched on 21 June 2012 and to mature on 7 September 2022) twice in the quarter to help build the new gilt to liquid size, and the DMO welcomes views on this strategy.
- Long (four auctions): the DMO welcomes views on the identity and timing of long conventional gilts to be auctioned in Q2 2012-13, taking into account the planning assumption for three conventional syndications during 2012-13 and, therefore, the possibility of long conventional gilt issuance by syndication in the quarter.

Index-linked gilt issuance

There are three index-linked gilt auctions scheduled in July-September 2012. The DMO welcomes views on candidates for, and the sequencing of, index-linked gilt issuance in this period, taking into account the planning assumption for five index-linked syndications during 2012-13 and, therefore, the likelihood of index-linked gilt issuance by syndication in the quarter.

The DMO will announce details of the gilt operations calendar for July-September 2012 at 3.30pm on Thursday 31 May 2012.

The next consultation meetings to discuss gilt issuance in October-December 2012 are scheduled to be held at 3.30pm (end-investors) and 5.00pm (GEMMs) on Tuesday 21 August 2012.