

AGENDA FOR THE CONSULTATIONS WITH GILT MARKET INVESTORS (3.30PM) AND GEMMs (5.00PM) TO DISCUSS GILT ISSUANCE IN SEPTEMBER-NOVEMBER 2020, ON MONDAY 27 JULY 2020. THE CONSULTATIONS WILL TAKE PLACE VIA CONFERENCE CALLS¹.

The DMO would like to invite up to 35 end-investors to join a discussion on gilt issuance in September-November 2020. Attendees may be nominated by their representative organisations or they may contact the DMO directly. Spaces are allocated on a first-come, first-served basis, at the DMO's discretion. Spaces will be limited to one line per organisation. Please email policy@dmo.gov.uk by close on Friday 24 July 2020 if you would like to reserve a place on the call. Dial-in details will be emailed to attendees in advance of the call. Alternatively, the DMO would be happy to receive your views on issuance via email if preferred.

- 1. Remit Revision: September to November 2020.**
- 2. Review of gilt market operations and conditions in May to July 2020.**
- 3. The DMO currently plans to schedule at least two syndicated offerings in the period September to November 2020. Views are sought on the type and maturity of gilts to be sold and the anticipated timings of such offerings. The DMO is keen to hear specific views on the launch by syndication of a new gilt maturing in the 15-year maturity area in early September 2020, which could become a candidate for auction thereafter. The DMO would also expect to conduct at least one other syndication for a longer-dated gilt, which could be held later in September and/or October/November 2020, subject to demand and market conditions. Planned syndication dates will be announced at least two weeks in advance and may supplement the existing auction schedule or, alternatively, syndications may substitute previously announced auctions.**
- 4. Views are sought on the choice and sequencing of conventional and index-linked gilts for auction in September to November 2020, taking into account the type and maturity of gilts to be sold via syndication, together with the timing of any such operations.**
- 5. The DMO is seeking views on demand for issuance via gilt tenders in the period August to November 2020, including maturity/maturities and type(s) of gilt(s), as well as timing.**
- 6. Any other business.**

Table 1 below sets out a proposed gilt auction calendar for the 38 auctions scheduled in September to November 2020 (as published on 16 July 2020), including a possible schedule of conventional gilt issuance by maturity. The DMO welcomes market views on auction scheduling, taking into account preferences for the timing and maturities of conventional gilts to be sold via syndication, together with any recommendations, at this stage, for gilt tenders.

Note that the gilt auction calendar may be altered, for example, to accommodate the Chancellor's decisions on the fiscal event timetable, any significant data releases or market sensitive events announced subsequently and/or to accommodate the scheduling of a syndicated offering.

The DMO's ongoing policy is to build up gilts to benchmark size, taking into account the impact of issuance on the gilt redemption profile. The proposed schedule of issuance in Table 1 sets out an example of the DMO's preference to provide regularity of issuance by maturity and type.

¹ Attendees are reminded that it is their responsibility to comply with competition laws and all other applicable laws. If any participants are dialling in from recorded lines then we politely ask that you respect the privacy of this conversation and do not disseminate any information beyond the call participants.

TABLE 1: PROPOSED SEPTEMBER TO NOVEMBER AUCTION CALENDAR AND MATURITY SPLIT

Auction date and close of bidding time	Gilt
Wednesday 2 September 10.00am	An index-linked gilt
Thursday 3 September 10.00am	A medium conventional gilt
11.30am	A long conventional gilt
Thursday 10 September 10.00am	A short conventional gilt
11.30am	A long conventional gilt
Tuesday 15 September 10.00am	A short conventional gilt
11.30am	A long conventional gilt
Wednesday 16 September 10.00am	A medium conventional gilt
Thursday 24 September 10.00am	A short conventional gilt
11.30am	An index-linked gilt
Tuesday 29 September 10.00am	A medium conventional gilt
Thursday 1 October 10.00am	A short conventional gilt
11.30am	A long conventional gilt
Tuesday 6 October 10.00am	A short conventional gilt
11.30am	A long conventional gilt
Wednesday 7 October 10.00am	A medium conventional gilt
11.30am	An index-linked gilt
Tuesday 13 October 10.00am	A short conventional gilt
11.30am	A long conventional gilt
Wednesday 14 October 10.00am	A medium conventional gilt
Tuesday 20 October 10.00am	An index-linked gilt
Thursday 22 October 10.00am	A medium conventional gilt
11.30am	A long conventional gilt
Tuesday 27 October 10.00am	A short conventional gilt
11.30am	A long conventional gilt
Wednesday 28 October 10.00am	A medium conventional gilt
Tuesday 3 November 10.00am	A medium conventional gilt

Thursday 5 November	10.00am	A short conventional gilt
	11.30am	A long conventional gilt
Wednesday 11 November	10.00am	An index-linked gilt
Thursday 12 November	10.00am	A medium conventional gilt
	11.30am	A long conventional gilt
Tuesday 17 November	10.00am	A short conventional gilt
	11.30am	A long conventional gilt
Wednesday 18 November	10.00am	A medium conventional gilt
Wednesday 25 November	10.00am	An index-linked gilt
Thursday 26 November	10.00am	A short conventional gilt
	11.30am	A long conventional gilt

- The DMO is planning ten short, ten medium and twelve long conventional auctions in September-November 2020. Views should also take into account the likelihood of conventional gilt issuance via syndication in the quarter.
- Short (ten auctions): the DMO expects to build up 0½% 2026 further to become the next 5-year benchmark. The DMO also welcomes views on other short-dated candidates for issuance in the quarter. In addition to the regular 5-year issuance programme, the DMO also expects to continue to build up 0½% 2023 over the period, but welcomes views on when to launch a new 3-year gilt (maturing in January 2024). Feedback should take into account the impact on the near-term redemption profile.
- Medium (ten auctions): the DMO anticipates continuing to build up 0½% 2028 and 0¾% 2030 to benchmark size through regular auctions. The DMO also welcomes views on other medium gilts for issuance in the quarter including a potential new 10-year gilt. Views should also take into account the possibility of medium conventional gilt issuance via syndication in the quarter.
- Long (twelve auctions): the DMO expects to continue to build up 1¼% 2041 and 0¾% 2050 to benchmark size through regular auctions, and also welcomes views on other candidates for, and the sequencing of, long conventional gilt auctions in the September to November 2020 period. Views should also take into account the possibility of long conventional gilt issuance via syndication in the quarter.

Index-linked gilt issuance

- There are six index-linked gilt auctions scheduled in September to November 2020. The DMO welcomes views on candidates for, and the sequencing of, index-linked gilt issuance via auction in the quarter. Views should also take into account the possibility of index-linked gilt issuance via syndication in the quarter.

The DMO will announce details of the gilt operations calendar for September to November 2020 at 7.30am on Friday 31 July 2020.

The next consultations to discuss gilt issuance in December 2020 to end-March 2021 are currently scheduled to be held at 3.30pm (end-investors) and 5.00pm (GEMMs) on Monday 23 November 2020².

² Subject to confirmation pending the Chancellor's decision on the timing of the Autumn Budget.