

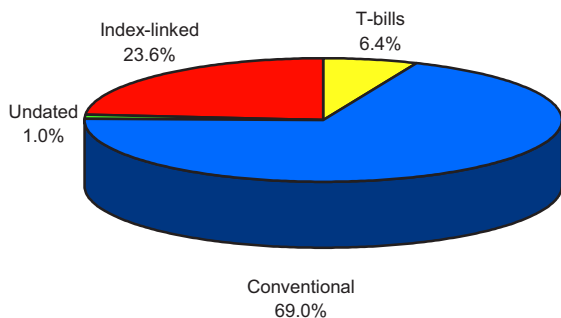


April - June 2003

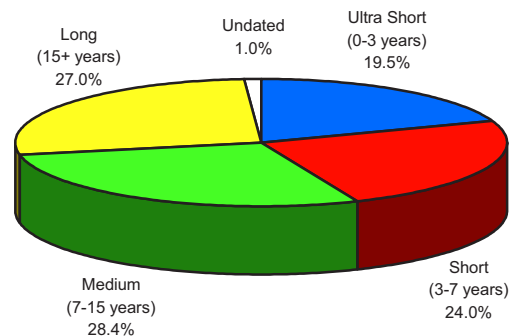
## Details of the debt portfolio as of 30 June 2003

Gilt portfolio summary statistics	31 March 2003	30 June 2003
Nominal value of the gilt portfolio (including inflation uplift)	£292.71 bn	£295.28 bn
Market value of the gilt portfolio	£332.31 bn	£335.43 bn
Weighted average market yields:		
• Conventional gilts	4.09%	4.04%
• Index-linked gilts	1.80%	1.69%
Portfolio average maturity	11.22 years	11.50 years
Average modified duration:		
• Conventional gilts	6.89 years	7.24 years
• Index-linked gilts	11.21 years	10.98 years
Average coupon on conventional gilts (weighted by market value)	6.79%	6.63%
Average nominal amount outstanding of largest 20 gilts (including inflation uplift)	£10.68 bn	£10.91 bn

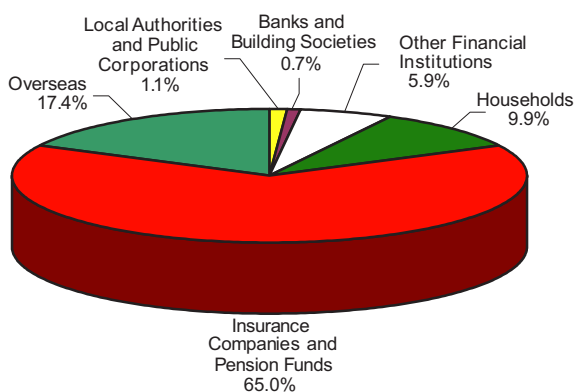
**Composition of debt stock**



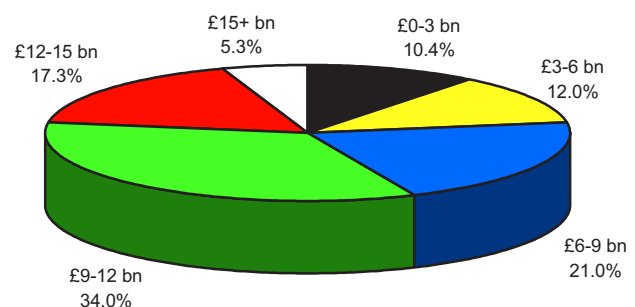
**Debt portfolio maturity split**



**Distribution of holdings at 31 March 2003**



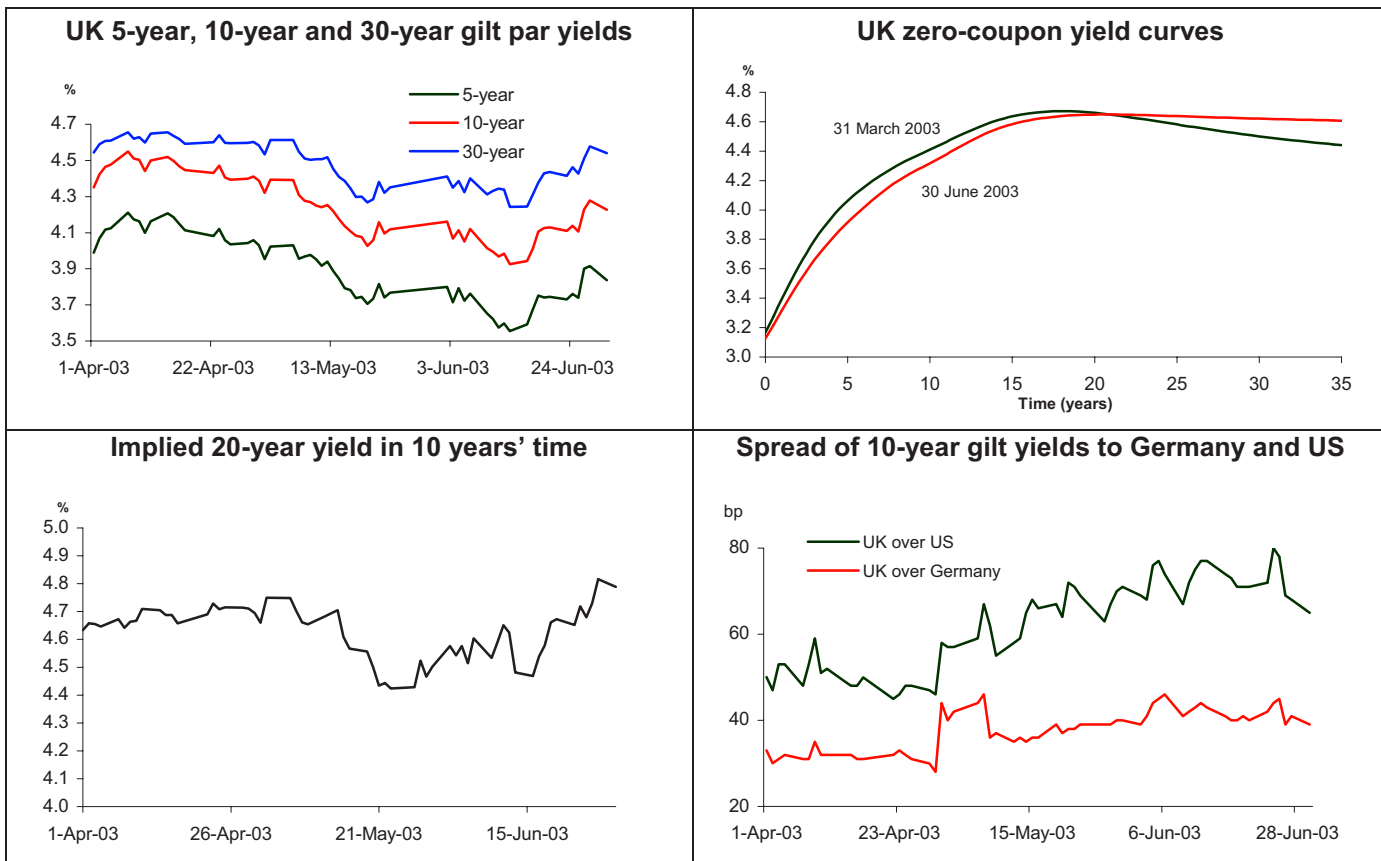
**Size of issues in £bn as % of portfolio**



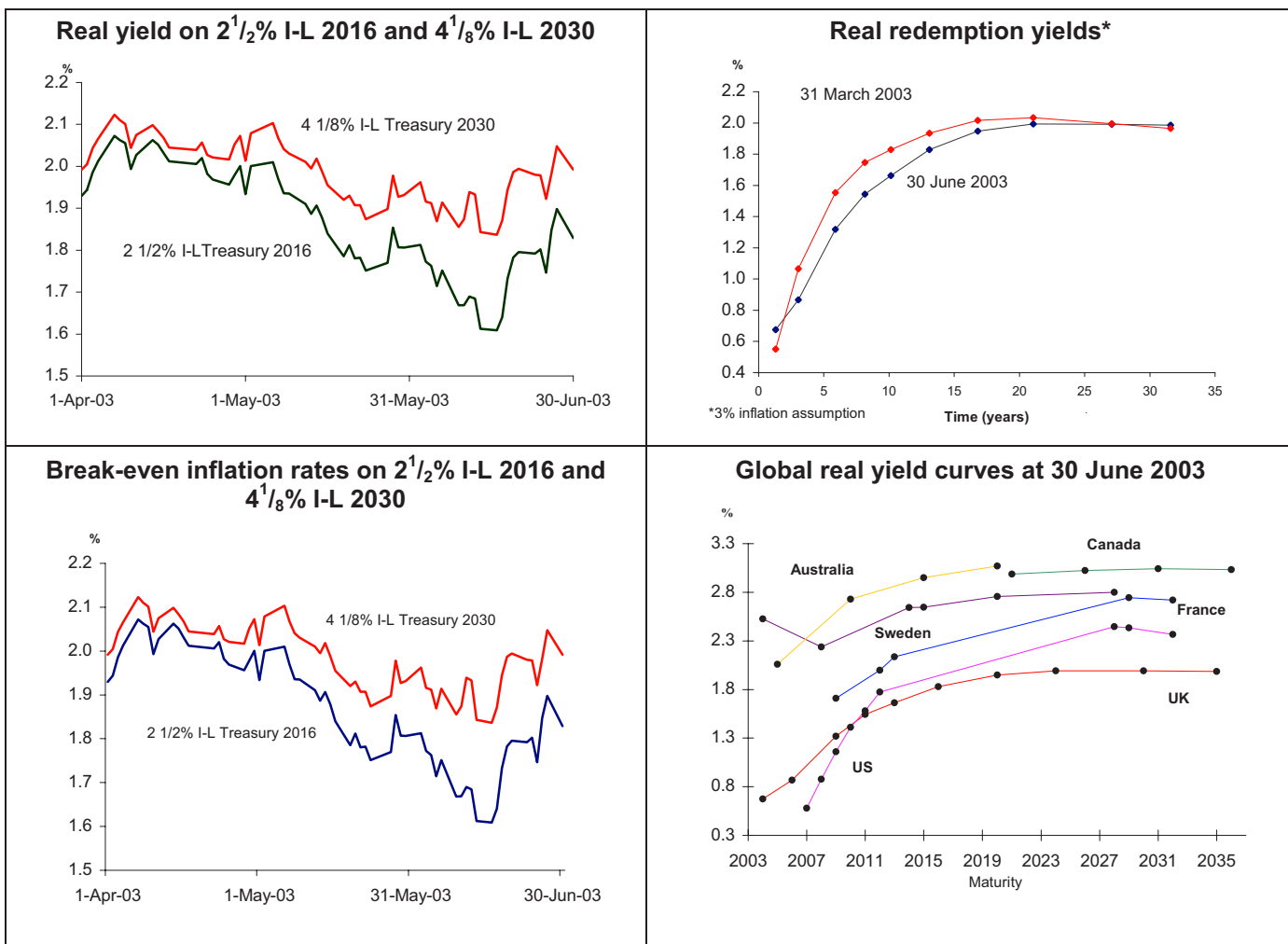
Figures in the pie charts may not sum due to rounding.



## Conventional gilts



## Index-linked gilts



## Gilt market flows (£mn)

	Issuance at auctions (cash)	Redemptions	Coupons	Net financing from gilts after redemptions and coupons
Jul-02	3,707	0	912	2,795
Aug-02	0	6,538	916	-7,454
Sep-02	818	0	1,177	-359
Oct-02	3,695	2,064	510	1,121
Nov-02	73	83	542	-552
Dec-02	2,838	0	3,931	-1,093
Jan-03	3,796	234	939	2,623
Feb-03	2,685	0	608	2,077
Mar-03	2,588	0	1,573	1,015
Apr-03	3,598	0	441	3,157
May-03	5,702	4,255	553	894
Jun-03	6,661	6,580	3,941	-3,860
Jul-03	N/A	0	919	-
Aug-03	N/A	0	612	-
Sep-03	N/A	1,765	2,131	-

*Numbers may not sum due to rounding*

Outright auction results						
Auction date	Stock	Issue amount (nominal)	Cover	Yield tail (basis points)	Average accepted price	Yield at average price
16-Apr-03	2½% IL 2009	£425mn	2.22	N/A <sup>a</sup>	£234.27	1.74%
24-Apr-03	5% 2014	£2,500mn	2.60	0	£104.22	4.52%
13-May-03	4% 2009	£3,500mn	2.85	0	£99.82	4.04%
28-May-03	4¼% 2036	£2,250mn	1.51	2	£98.27	4.35%
12-Jun-03	5% 2014	£2,500mn	2.48	1	£107.98	4.11%
24-Jun-03	2½% IL 2024	£350mn	2.15	N/A <sup>a</sup>	£200.00	1.95%
26-Jun-03	4% 2009	£3,250mn	1.76	1	£100.44	3.91%

<sup>a</sup> Index-linked gilts are issued through a uniform price format

## Outturn against the 2003-04 gilts remit as at 30 June 2003

(£ mn)	Conventional gilts			Index-linked gilts	Total
	Short (0-7 years)	Medium (7-15 years)	Long (>15 years)		
<b>Remit plans</b>	16,400	13,200	11,300	6,500	47,400
<b>Outright sales</b>	6,755	5,301	2,210	1,695	15,961
<b>Remaining</b>	9,645	7,899	9,090	4,806	31,440

## 2002-03 and 2003-04 financing requirements

<i>Figures may not sum due to rounding</i> (£ bn)	PBR 2002 Financing requirement for 2002-03	Budget 2003 Financing requirement for 2002-03	2002-03 Outturn	Financing requirement for 2003-04
CGNCR forecast	18.7	21.4	21.5	35.3
Replacing foreign currency debt	0.0	0.0	0.0	0.0
Redemptions	17.0	17.0	17.0	21.1
Debt buy-backs	0.3	0.4	0.4	0.0
<b>Financing requirement</b>	<b>36.0</b>	<b>38.8</b>	<b>38.9</b>	<b>56.4</b>
Less				
National Savings & Investments' contribution	-1.0	0.7	0.7	1.5
DMO cash deposit at Bank of England	-0.1	-0.2	-0.2	0.1
<b>Net financing requirement</b>	<b>37.1</b>	<b>38.3</b>	<b>38.4</b>	<b>54.8</b>
Change in Ways and Means	0.0	0.0	0.0	0.0
Change in planned Treasury bill stock	4.3	5.3	5.3	3.3
Change in level of DMO cash position	6.6	6.7	6.8	4.1
<b>Gilt sales planned during year</b>	<b>26.2</b>	<b>26.3</b>	<b>47.4</b>	<b>47.4</b>

## Details of market activity

### Top twenty stocks traded (by market value) in the thirteen weeks to 27 June 2003

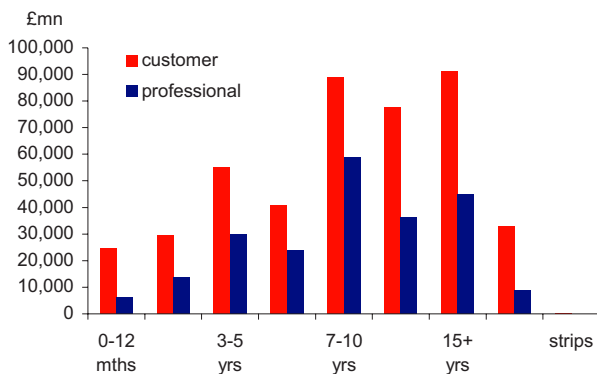
Stock	Market value of trades (£mn)	% of value of all gilt trades	Turnover Ratio <sup>a</sup>	Number of bargains ('000s)	Average bargain size (£mn)
5% Treasury 2012	117,529	19%	9	16	7
5% Treasury 2008	43,361	7%	3	10	5
5% Treasury 2014	40,785	7%	4	6	7
6% Treasury 2028	37,000	6%	3	6	6
4¼% Treasury 2032	36,531	6%	3	6	6
5¾% Treasury 2009	33,976	5%	4	12	3
8% Treasury 2013	31,146	5%	5	2	17
8% Treasury 2015	30,947	5%	4	5	6
8% Treasury 2021	28,638	5%	2	6	4
8½% Treasury 2005	25,397	4%	2	4	7
4% Treasury 2009	21,600	3%	3	4	6
7½% Treasury 2006	17,468	3%	1	5	4
7¼% Treasury 2007	16,660	3%	2	6	3
4¼% Treasury 2036	14,363	2%	3	2	7
6½% Treasury 2003	12,009	2%	1	3	4
5% Treasury 2025	11,709	2%	1	2	6
6¾% Treasury 2004	10,805	2%	2	4	3
5% Treasury 2004	11,329	2%	2	4	3
8¾% Treasury 2017	9,801	2%	1	1	8
8% Treasury 2003	8,954	1%	Redeemed	1	8
<b>Total market</b>	<b>620,417</b>			<b>139</b>	<b>4</b>

The top twenty stocks account for 90% of total market turnover.

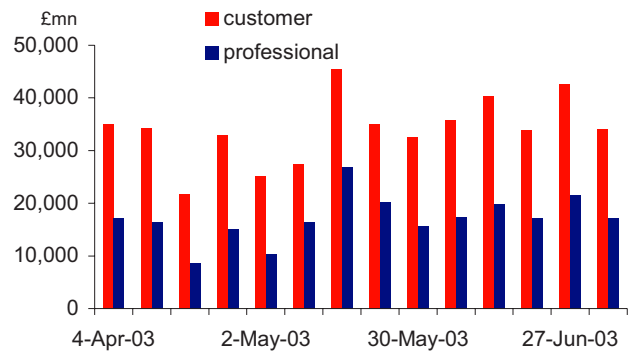
This information is based on provisional information provided by the London Stock Exchange and should only be treated as indicative.

<sup>a</sup> The total nominal value of the stock traded over the quarter relative to the nominal amount outstanding at the end of the quarter.

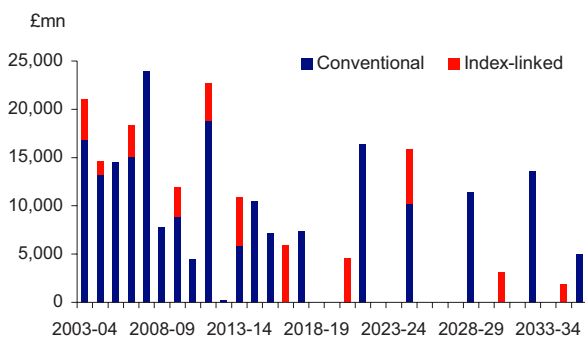
#### GEMM turnover by maturity band, Q2 2003



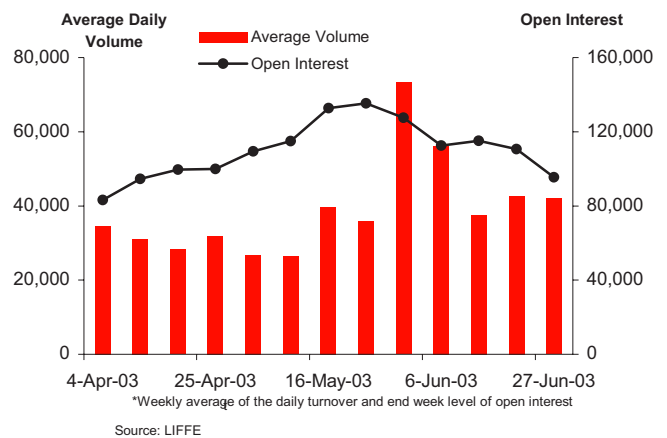
#### Total GEMM market turnover (weekly total)



#### Gilt redemptions (net of government holdings)



#### Average daily turnover of the long gilt futures contract and open interest\*

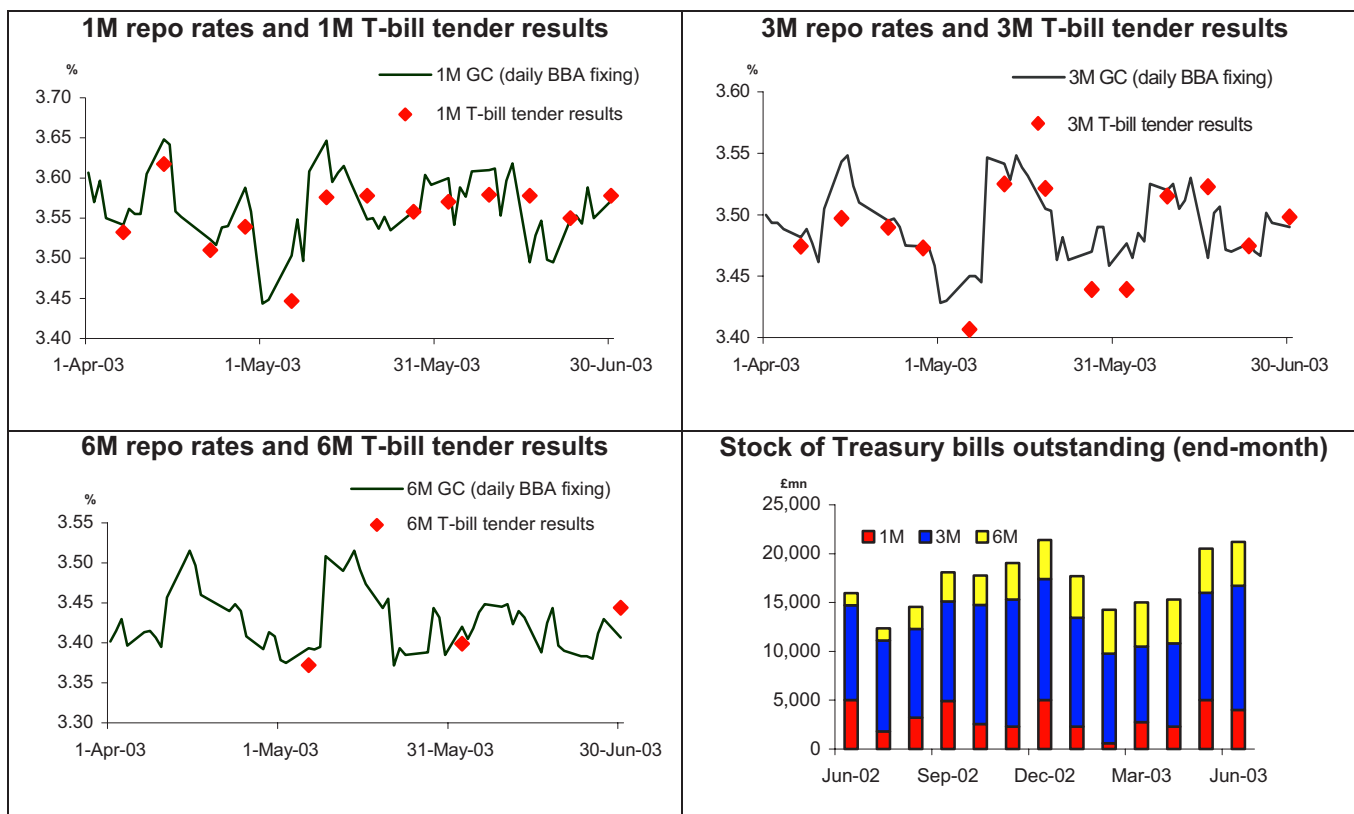


## Stocks in issue at 30 June 2003 (£mn nominal)

Conventional gilts	Redemption date	Amount in issue	Amount held in stripped form	DMO/CRND* Holdings
10% Treasury 2003	08-Sep-03	1,872	-	107
6½% Treasury 2003	07-Dec-03	8,095	50	316
5% Treasury 2004	07-Jun-04	7,504	9	465
6¾% Treasury 2004	26-Nov-04	6,597	-	477
9½% Conversion 2005	18-Apr-05	4,469	-	95
8½% Treasury 2005	07-Dec-05	10,486	115	313
7¼% Treasury 2006	08-Sep-06	3,955	-	432
7½% Treasury 2006	07-Dec-06	11,807	206	275
8½% Treasury 2007	16-Jul-07	4,638	-	362
7¼% Treasury 2007	07-Dec-07	11,103	145	241
5% Treasury 2008	07-Mar-08	14,221	34	140
5½% Treasury 2008/2012	10-Sep-08	1,026	-	182
4% Treasury 2009	07-Mar-09	6,750	0	3
5¾% Treasury 2009	07-Dec-09	8,937	58	357
6¼% Treasury 2010	25-Nov-10	4,958	-	477
9% Conversion 2011	12-Jul-11	5,396	-	205
7¼% Treasury 2012/2015	26-Jan-12	805	-	338
5% Treasury 2012	07-Mar-12	13,346	5	235
8% Treasury 2013	27-Sep-13	6,181	-	386
5% Treasury 2014	07-Sep-14	10,550	0	56
8% Treasury 2015	07-Dec-15	7,377	238	172
8¼% Treasury 2017	25-Aug-17	7,751	-	380
8% Treasury 2021	07-Jun-21	16,741	231	346
5% Treasury 2025	07-Mar-25	10,422	0	177
6% Treasury 2028	07-Dec-28	11,756	196	309
4¼% Treasury 2032	07-Jun-32	13,829	182	251
4¼% Treasury 2036	07-Mar-36	5,000	0	1
Index-linked gilts	Redemption date	Amount in issue	Nominal including inflation uplift	DMO/CRND* Holdings
4 3/8% I-L Treasury 2004	21-Oct-04	1,338	1,755	38
2% I-L Treasury 2006	19-Jul-06	2,037	5,216	37
2½% I-L Treasury 2009	20-May-09	3,098	6,998	74
2½% I-L Treasury 2011	23-Aug-11	3,942	9,407	70
2½% I-L Treasury 2013	16-Aug-13	5,172	10,315	104
2½% I-L Treasury 2016	26-Jul-16	6,055	13,198	169
2½% I-L Treasury 2020	16-Apr-20	5,093	10,921	68
2½% I-L Treasury 2024	17-Jul-24	5,751	10,475	112
4 1/8% I-L Treasury 2030	22-Jul-30	3,171	4,176	71
2% I-L Treasury 2035	26-Jan-35	1,850	1,896	0
Undated gilts (non-rump)	Redemption date	Amount in issue		DMO/CRND* Holdings
2½% Treasury	Undated	493		22
3½% War	Undated	1,939		30
Rump gilts	Redemption date	Amount in issue		DMO/CRND* Holdings
12½% Treasury 2003/2005	21-Nov-03	152		63
13½% Treasury 2004/2008	26-Mar-04	96		25
10% Treasury 2004	18-May-04	20		6
9½% Conversion 2004	25-Oct-04	307		149
10½% Exchequer 2005	20-Sep-05	24		16
9¾% Conversion 2006	15-Nov-06	6		3
9% Treasury 2008	13-Oct-08	687		127
8% Treasury 2009	25-Sep-09	393		103
9% Treasury 2012	06-Aug-12	403		155
12% Exchequer 2013/2017	12-Dec-13	58		9
4% Consolidated	Undated	358		37
2½% Consolidated	Undated	272		47
3½% Conversion	Undated	92		73
3% Treasury	Undated	53		6
2½% Annuities	Undated	3		0.4
2¾% Annuities	Undated	1		0.3

It is assumed that double-dated issues (which have not been called) currently trading above par will be redeemed at the first maturity date.  
\* Includes holdings by the Commissioners for the Reduction of the National Debt (CRND) and the DMO. Excludes local authority, public corporations and Bank of England holdings.

## Money market operations



### Treasury bill tender results Q2 2003

Tender date	Stock amount (£mn)	Average yield (%)	Average price (£)	Cover	Yield tail (bp)
<b>1 month T-bills</b>					
4-Apr-03	1,500	3.5324	99.7201	5.63	2
11-Apr-03	500	3.6174	99.7233	5.99	2
17-Apr-03	150	3.5100	99.7410	6.39	0
25-Apr-03	150	3.5391	99.7196	7.47	0
2-May-03	150	3.4465	99.7457	7.37	0
9-May-03	500	3.5760	99.7264	7.18	4
16-May-03	1,500	3.5781	99.7263	5.18	0
23-May-03	1,500	3.5578	99.7375	4.72	1
30-May-03	1,500	3.5705	99.7268	4.48	1
6-Jun-03	1,500	3.5790	99.7262	5.31	1
13-Jun-03	1,000	3.5779	99.7263	5.31	0
20-Jun-03	1,000	3.5499	99.7284	5.09	1
27-Jun-03	500	3.5779	99.7263	5.20	2
<b>3 month T-bills</b>					
4-Apr-03	1,000	3.4743	99.1412	6.03	2
11-Apr-03	1,000	3.4971	99.1357	6.43	2
17-Apr-03	1,000	3.4898	99.1468	5.12	0
25-Apr-03	1,000	3.4731	99.1415	7.29	2
2-May-03	1,000	3.4067	99.1670	6.35	3
9-May-03	1,000	3.5250	99.1288	6.02	0
16-May-03	1,000	3.5213	99.1297	5.95	0
23-May-03	1,000	3.4391	99.1490	4.90	1
30-May-03	1,000	3.4392	99.1499	5.44	1
6-Jun-03	1,000	3.5152	99.1312	6.61	1
13-Jun-03	1,000	3.5228	99.1294	7.06	1
20-Jun-03	1,000	3.4747	99.1412	5.35	1
27-Jun-03	700	3.4983	99.1354	6.31	0
<b>6 month T-bills</b>					
2-May-03	750	3.3720	98.3554	6.15	1
30-May-03	750	3.3991	98.3334	4.79	1
27-Jun-03	750	3.4440	98.3117	6.05	4

## Calendar for Q3 2003

### July

<b>2</b>	Auction of 4¼% Treasury Stock 2036 (£2.25bn nom).
<b>8</b>	Announcement of the size (£425mn nom) and terms of the auction of 2½% Index-linked Treasury Stock 2013.
<b>16</b>	Auction of 2½% Index-linked Treasury Stock 2013.
<b>22</b>	Announcement of the size and terms of the auction of 5% Treasury Stock 2014.
<b>29</b>	Auction of 5% Treasury Stock 2014.

### August

<b>5</b>	Announcement of the size and terms of the auction of 4% Treasury Stock 2009.
<b>14</b>	Auction of 4% Treasury Stock 2009.

### September

<b>2</b>	Announcement of the date and terms of the auction of 4¼% Treasury Stock 2036.
<b>10</b>	Auction of 4¼% Treasury Stock 2036.
<b>15</b>	Consultation meetings with investors (4:00pm) and GEMMs (5:00pm).
<b>16</b>	Announcement of the date and terms of the auctions of 2% Index-linked Treasury Stock 2035 and the new conventional stock maturing on 7 September 2015. The coupon on the new conventional stock will also be announced on this date.
<b>23</b>	Auction of 2% Index-linked Treasury Stock 2035.
<b>25</b>	Auction of a new conventional stock maturing on 7 September 2015.
<b>26</b>	Publication of the Treasury bill issuance calendar for October-December 2003.
<b>30</b>	Publication of the gilt issuance calendar for October-December 2003.

## DMO wire service pages

Information	Reuters/Bridge/ADP	Telerate	Topic	Bloomberg
<b>Index</b>	DMO/INDEX			DMO<GO>
<b>Announcements</b>	DMO/GILTS1 to 7	22550 to 22556	44700 to 44710	DMO1<GO>
<b>Shop window general info</b>	DMO/GILTS8	6515	44715	DMO2<GO>
<b>Shop window 1</b>	DMO/GILTS9	6516	44716	DMO3<GO>
<b>Shop window 2</b>	DMO/GILTS10	6517	44717	DMO4<GO>
<b>Shop window 3</b>	DMO/GILTS11	6518	44718	DMO5<GO>
<b>Benchmark prices</b>	DMO/BENCH1	22557	44720 to 44721	DMO10<GO>
<b>GEMMA ref prices (Conventionals)</b>	GEMMA01 to 04	47216 to 47219	44800 to 44802	DMO6<GO>
<b>GEMMA ref prices (I-L)</b>	GEMMA08	47223	44805	DMO6<GO>
<b>GEMMA ref prices (Strips)</b>	GEMMA13 to 22	21291 to 21300	44850 to 44864	DMO7<GO>
<b>Cash announcements</b>	DMO/CASH01	15700 to 15709	44660 to 44669	DMO9<GO>
<b>T-bill tender information</b>	DMO/CASH11	15710 to 15711	44670 to 44671	DMO9<GO>
<b>Ad-hoc tender information</b>	DMO/CASH16	15715 to 15716	44675 to 44676	DMO9<GO>

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Updated data, press releases and other information are available on the DMO website at [www.dmo.gov.uk](http://www.dmo.gov.uk)

Comments on this publication and the website would be welcomed by Sarah Ellis, Mark Deacon or Jenny Boyle.

