



United Kingdom
Debt Management
Office

Eastcheap Court
11 Philpot Lane
London
EC3M 8UD

T 020 7862 6500

www.dmo.gov.uk

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PRESS NOTICE

REVISION TO THE DMO'S FINANCING REMIT FOR JULY TO AUGUST 2020

To facilitate the government's financing needs in the period until the end of August 2020, the UK Debt Management Office (DMO) is announcing that it is planning to raise a minimum of £275 billion overall in the period April to August 2020.

The DMO is also confirming auction dates in July 2020 and publishing an auction calendar for August 2020. The DMO plans to hold 33 gilt auctions in July to August 2020.

For the period July to August 2020, the DMO is retaining the operational parameters (including size ranges) and approach to auction calendar design that have been in place since May 2020 (see Annex to the announcement for details).

Further revision to the DMO's 2020-21 financing remit

HM Treasury and the DMO will make a further announcement about the financing remit for the period September to November 2020 before the end of July 2020. It is expected that market consultation will follow the July 2020 remit announcement. The DMO will give advance notice of the timing of that announcement.

Request for market feedback on candidate gilts, dates and times of auctions

As set out in the table below, the DMO is confirming the choice of gilts to issue and auction dates in July 2020 in cases where those choices have already been published in the DMO's press notice of 30 April 2020, which set out the gilt operations calendar for May to July 2020.

For auction dates in July 2020 where a decision on the choice of gilt to issue has not yet been made, and for auction dates in August 2020, a schedule of issuance by maturity and type of gilt is proposed in the table below. The DMO is seeking market feedback on these proposals, including the specific maturities to be sold and the scheduling of these auctions, taking account of the choices of gilts that have already been announced in July 2020. Please respond with your feedback and recommendations to policy@dmo.gov.uk and/or giltdealing@dmo.gov.uk by no later than midday on Tuesday 30 June 2020. Feedback should take into account the DMO's ongoing policy to build up gilts to benchmark sizes and the impact of issuance choices on the existing gilt redemption profile, particularly in the near-term.

Conference call with market participants

In order to provide market participants with an opportunity to raise questions about today's announcement and the financing remit more generally, the DMO is also inviting GEMMs and investors to participate in a short conference call at 3.30pm today (Monday 29 June

2020), at which the DMO will outline its proposed financing plans for July and August 2020¹. If you would like to participate in the conference call, please contact PA.Mail@dmo.gov.uk by midday on Monday 29 June 2020. Dial-in details will be emailed to attendees in advance of the call.

Calendar of planned gilt auctions in July and August 2020

Auction date and close of bidding time		Gilt	Size/further details announced at 3.30pm
Wednesday 1 July	10.00am	0½% Treasury Gilt 2028	£3,000 million nominal
	11.30am	0½% Treasury Gilt 2050	£2,250 million nominal
Thursday 2 July	10.00am	0½% Treasury Gilt 2025	£3,500 million nominal
	11.30am	4½% Treasury Gilt 2034	£2,000 million nominal
Tuesday 7 July	10.00am	0½% Treasury Gilt 2023	Tuesday 30 June
	11.30am	1¼% Treasury Gilt 2041	
Wednesday 8 July	10.00am	0½% Index-linked Treasury Gilt 2041	Wednesday 1 July
Tuesday 14 July	10.00am	0½% Treasury Gilt 2026	Tuesday 7 July
	11.30am	0½% Treasury Gilt 2030	
Wednesday 15 July	10.00am	A short conventional gilt	Wednesday 8 July
	11.30am	A long conventional gilt	
Tuesday 21 July	10.00am	A short conventional gilt	Tuesday 14 July
	11.30am	0½% Treasury Gilt 2050	
Wednesday 22 July	10.00am	0½% Treasury Gilt 2028	Wednesday 15 July
	11.30am	An Index-linked gilt	
Tuesday 28 July	10.00am	A short conventional gilt	Tuesday 21 July
	11.30am	A medium conventional gilt	
Wednesday 29 July	10.00am	A short conventional gilt	Wednesday 22 July
	11.30am	A long conventional gilt	
Tuesday 4 August	10.00am	A short conventional gilt	Tuesday 28 July
	11.30am	A long conventional gilt	

¹ In the DMO's remit revision announcement of 23 April 2020, it was anticipated that the DMO would schedule quarterly consultations with end investors at 3.30pm and GEMMs at 5pm on Monday 29 June, to discuss the operations calendar for the period from week commencing 13 July to end-September 2020. These plans have been superseded by today's announcement, which covers only the period until the end of August 2020.

Wednesday 5 August	10.00am	A medium conventional gilt	Wednesday 29 July
	11.30am	An index-linked gilt	
Tuesday 11 August	10.00am	A short conventional gilt	Tuesday 4 August
	11.30am	A long conventional gilt	
Wednesday 12 August	10.00am	A medium conventional gilt	Wednesday 5 August
Tuesday 18 August	10.00am	A short conventional gilt	Tuesday 11 August
	11.30am	A long conventional gilt	
Wednesday 19 August	10.00am	A medium conventional gilt	Wednesday 12 August
	11.30am	An index-linked gilt	
Tuesday 25 August	10.00am	A short conventional gilt	Tuesday 18 August
	11.30am	A long conventional gilt	
Wednesday 26 August	10.00am	A medium conventional gilt	Wednesday 19 August

Syndication programme

The DMO has no current plans to hold any syndicated offerings in the period July to August 2020.

Gilt tender(s)

The DMO is interested in receiving representations from market participants about demand for a gilt tender, or gilt tenders, in the period July to August 2020. Views on particular gilts to issue and the timing of any such tenders would be welcome. The DMO will aim to announce the date, the gilt to be sold and the maximum size of any gilt tender at least two business days in advance.

Further announcement about the July to August 2020 operations calendar

The DMO will announce further details of the gilt operations calendar in July to August 2020 at 7.30am on Friday 3 July 2020.

This press notice will be appearing on the DMO's website at: www.dmo.gov.uk

ANNEX – operational parameters for gilt auctions in July to August 2020

Auction size ranges

Average conventional gilt auction sizes (cash amounts) are generally expected to be in the following ranges by maturity sector: 1-5 years - £3,250 million to £4,000 million; 5-7 years - £3,000 million to £3,750 million; 7-15 years - £2,750 million to £3,500 million; 15-30 years - £2,000 million to £2,750 million; and 30+ years - £1,750 million to £2,500 million.

Average sizes (cash amounts) for index-linked gilt auctions are generally expected to be in the following ranges: up to 10-year maturity - £1,250 million to £1,750 million; over 10-year maturity - £1,000 million to £1,500 million.

The DMO will size gilt auctions on a case-by-case basis and, therefore, the size of any individual auction (in cash terms) may depart from the ranges set out above.

Auction terms and conditions

Auction terms and conditions will continue to be announced on the day exactly one calendar week before the date of each operation.

Auction timings

In cases where there is one auction on a day, the bidding window will operate from 9.00am to 10.00am.

In cases where there are two auctions on one day, the bidding window for the first gilt auction will operate from 9.00am to 10.00am, and for the second from 10.30am to 11.30am.

Post Auction Option Facility

The Post Auction Option Facility (PAOF) entitlements for successful auction bidders – Gilt-edged Market Makers and indirect client bidders – will remain at 25%.

In cases where there is one auction on a day, the PAOF window will operate from 12.30pm to 1.00pm.

In cases where there are two auctions on one day, the PAOF windows will operate from 12.30pm to 1.00pm for the first auction and from 2.00pm to 2.30pm for the second auction.

Direct participation in gilt auctions by private investors who are members of the Approved Group

The facility for members of the Approved Group to participate directly in gilt auctions through the gilt registrar, Computershare Investor Services PLC, remains suspended. Members may be eligible as an alternative to purchase gilts through the DMO's Purchase & Sale Service (<https://www.dmo.gov.uk/responsibilities/gilt-market/buying-selling/purchase-sale-service/>).