



PRESS NOTICE

REVISION TO THE DMO'S 2020-21 FINANCING REMIT FOR SEPTEMBER TO NOVEMBER 2020

1. The UK Debt Management Office (DMO) is today publishing a further revision to its 2020-21 financing remit covering the period to end-November 2020. In line with the update on the government's financing needs announced by HM Treasury today, the DMO is planning to raise a minimum of £385 billion during the period April to November 2020 (inclusive) through the issuance of conventional and index-linked gilts.
2. The DMO is today publishing a provisional gilt auction calendar for September to November 2020; it currently plans to hold 38 gilt auctions in this period and will shortly be consulting gilt market participants on the details of this calendar (see paragraph 8 below).
3. For the period to end-November 2020 the DMO is retaining the operational parameters (including auction size ranges) and the approach to auction calendar design that have been in place since May 2020 (see the Annex to this Press Notice for details).
4. The DMO is also currently planning to schedule syndicated offerings in the period September to November 2020 and will seek market views on the syndication programme for this period (see paragraph 9 below).
5. A further update to the DMO's financing remit and planned issuance schedule for 2020-21 will be announced alongside the Autumn Budget 2020, as is usual practice, on a date to be confirmed. The timing of the publication of the next remit revision will be pre-announced by the DMO in the usual way.
6. HM Treasury does not expect that the higher volume of issuance seen so far this financial year due to COVID-19 will persist over the final four months of the year.

Gilt operations in September to November 2020 and forthcoming consultations with gilt market participants

7. Table 1 below sets out a proposed gilt auction calendar for September to November 2020.

Table 1. Proposed gilt auction calendar: September to November 2020

Auction date and close of bidding time	Gilt	Size/further details announced at 3.30pm
Wednesday 2 September 10.00am	An Index-linked gilt	Wednesday 26 August
Thursday 3 September 10.00am	A medium conventional gilt	Thursday 27 August
11.30am	A long conventional gilt	
Thursday 10 September 10.00am	A short conventional gilt	Thursday 3 September
11.30am	A long conventional gilt	
Tuesday 15 September 10.00am	A short conventional gilt	Tuesday 8 September
11.30am	A long conventional gilt	
Wednesday 16 September 10.00am	A medium conventional gilt	Wednesday 9 September
Thursday 24 September 10.00am	A short conventional gilt	Thursday 17 September
11.30am	An index-linked gilt	
Tuesday 29 September 10.00am	A medium conventional gilt	Tuesday 22 September
Thursday 1 October 10.00am	A short conventional gilt	Thursday 24 September
11.30am	A long conventional gilt	
Tuesday 6 October 10.00am	A short conventional gilt	Tuesday 29 September
11.30am	A long conventional gilt	
Wednesday 7 October 10.00am	A medium conventional gilt	Wednesday 30 September
11.30am	An index-linked gilt	
Tuesday 13 October 10.00am	A short conventional gilt	Tuesday 6 October
11.30am	A long conventional gilt	
Wednesday 14 October 10.00am	A medium conventional gilt	Wednesday 7 October
Tuesday 20 October 10.00am	An index-linked gilt	Tuesday 13 October
Thursday 22 October 10.00am	A medium conventional gilt	Thursday 15 October
11.30am	A long conventional gilt	
Tuesday 27 October 10.00am	A short conventional gilt	Tuesday 20 October
11.30am	A long conventional gilt	
Wednesday 28 October 10.00am	A medium conventional gilt	Wednesday 21 October
Tuesday 3 November 10.00am	A medium conventional gilt	Tuesday 27 October
Thursday 5 November 10.00am	A short conventional gilt	Thursday 29 October
11.30am	A long conventional gilt	

Wednesday 11 November	10.00am	An index-linked gilt	Wednesday 4 November
Thursday 12 November	10.00am	A medium conventional gilt	Thursday 5 November
	11.30am	A long conventional gilt	
Tuesday 17 November	10.00am	A short conventional gilt	Tuesday 10 November
	11.30am	A long conventional gilt	
Wednesday 18 November	10.00am	A medium conventional gilt	Wednesday 11 November
Wednesday 25 November	10.00am	An index-linked gilt	Wednesday 18 November
Thursday 26 November	10.00am	A short conventional gilt	Thursday 19 November
	11.30am	A long conventional gilt	

8. The DMO will schedule consultations (via conference calls) with market participants to discuss the gilt operations calendar for September to November 2020 on Monday 27 July 2020 (at 3.30pm with end-investors and at 5.00pm with GEMMs). An agenda for these consultations will be published by the DMO at 3.30pm on Monday 20 July 2020. The DMO will publish details of the September to November 2020 gilt operations calendar at 7.30am on Friday 31 July 2020.

The gilt syndication programme: September to November 2020

9. The DMO currently plans to schedule at least two syndicated offerings in the period September to November 2020 and will be seeking feedback from gilt market participants on the type and maturity of gilts to be sold and the timing of these transactions, at the forthcoming consultations on 27 July 2020. Planned dates for syndications, subject to market demand and conditions, will be announced at least two weeks in advance and may be in addition to the operations listed above or they may substitute for previously announced auctions.

Gilt tenders

10. The DMO continues to be interested in receiving representations from market participants about demand for a gilt tender, or gilt tenders, in the period ahead. 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.

NOTES FOR EDITORS

On 11 March 2020, the DMO announced planned gilt sales of £156.1 billion in 2020-21.

On 31 March 2020, the DMO announced plans to raise £45.0 billion in April 2020.

On 23 April 2020, the DMO announced plans to raise £180 billion during the period May to July 2020. This announcement took planned gilt sales in the period April to July 2020 to £225 billion.

On 29 June 2020, the DMO announced plans to raise a minimum of £275 billion in the period April to August 2020.

ANNEX – operational parameters for gilt auctions in September to November 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 at 3.30pm on the day exactly one calendar week before the date of each operation.

Auction timings

In cases where there is a single auction on one 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 a single auction on one 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/>).