
Opening of 30-year government bond (4.5 per cent Bullet loans 2039)

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Government Debt Management at Danmarks Nationalbank is opening a Danish government security with long tenor. The introduction of a 30-year Danish government security can be used in the pension sector's risk management, in particular for hedging exposures related to the pension sector's liabilities. Currently, the hedging of the pension liabilities is obtained via euro government securities with long tenor and different types of derivatives that are primarily denominated in euro. In order to facilitate the Danish pension sector's hedging of liabilities it has been decided to open a 30-year government bond. It is the intention that the bond can be build up to an outstanding of around DKK 60 billion. Nevertheless, the outstanding in the bond will depend on market demand.

The strategy for issuance of domestic government bonds remains unchanged, and thus the strategy is to build up 10-year government securities every second year to a final outstanding of around DKK 50 billion.

Opening auction

The government bond 4.5 per cent Bullet loans 2039 (ISIN: DK0009922320) with due date 15 November will be opened 11 November 2008. The government bond will mature 15 November 2039.

The sale will commence via MTSDenmark's auction system with primary dealers as counterparties. The opening depends on stable market conditions. Subsequent to the opening auction, it is planned that the build up of the government bond will continue via tap sale or auctions.

As from the opening of MTSDenmark bids can be submitted until 10.30 CET. Subsequently a cut-off price will be fixed as quickly as possible and within 10 minutes at the latest. Bids at the cut-off price or above will be accommodated at the cut-off price. A pro-rata allocation of bids at the cut-off price may be applied.

Terms of borrowing can be viewed on www.governmentdebt.dk.

Further information

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