

## Global Markets Research

### Fixed Income : Auction Calendar

#### Reopening of 10-year GII 7/27 prints BTC cover of 1.832x

The interest seen during pre-auction "window" saw WI quoting at 4.34-32% levels last prior to the auction with circa RM100m worth of trades done between 4.32-25 levels. The BTC of 1.832x was lower than its maiden debut in January. We note interest was commendable as yields for local govies grind higher for the past week following the recent MPC meeting. The print-size of RM3.0b was slightly larger versus our expectations of RM2.5b. The summary of tender results are as follows:-

Bid to Cover : 1.832x  
 High : 4.37%  
 Average : 4.347%  
 Low : 4.30%  
 Cut off : 95.0%

#### Decent yield and BTC for this tender reflects appetite by both end-investors and inter-bank players.....

The relatively long tail of 7 bps was expected for this paper following recent hawkish statement arising from the MPC meet last week. The high of 4.37% is deemed attractive judging from the last debut in January this year which saw it well bid at about 10bps lower on a large BTC of 3.413x. This currently puts the paper at a premium of 25bps compared to the 10Y MGS 11/27. We also note that similar-tenured Government-Guaranteed papers traded at a mere 15bps spread at the point of writing. Up next, is the reopening of the 15-year MGS 4/33 with a forecasted tender size of RM2.5b.

MGS/GII issuance pipeline in 2017														
No	Stock	Tenure-yrs	Tender Month	by quarter	Tender Date	Expected size (RM mil)	Issuance (RM mil)	Private Placement	Amt Issued YTD	BTC (times)	Low	Average	High	Cut-off
1	3-yr Reopening of MGII (Mat on 04/20)	3	Jan	Q1	5/1/2017	3,000	3,500		3,500	1.789	3.657	3.690	3.700	75.0%
2	15-yr Reopening of MGS (Mat on 06/31)	15	Jan	Q1	12/1/2017	3,500	4,000		7,500	2.503	4.773	4.786	4.796	25.0%
3	10.5-yr New Issue of MGII (Mat on 07/27)	10	Jan	Q1	25/1/2017	4,000	4,000		11,500	3.413	4.245	4.258	4.265	10.6%
4	7.5-yr New Issue of MGII (Mat on 08/24)	7	Feb	Q1	14/2/2017	4,000	4,000		15,500	3.123	4.030	4.045	4.050	100.0%
5	30-yr Reopening of MGS (Mat on 03/46)	30	Feb	Q1	27/2/2017	3,000	3,000	1,000	18,500	2.562	4.660	4.676	4.686	5.0%
6	5-yr New Issue of MGS (Mat on 03/22)	5	Mar	Q1	9/3/2017	4,000	4,000		22,500	1.538	3.859	3.882	3.903	3.0%
7	15-yr Reopening of MGII (Mat on 08/33)	15	Mar	Q1	23/3/2017	3,000	3,000	1,000	25,500	1.897	4.660	4.696	4.730	27.0%
8	7.5-yr New Issue of MGS (Mat on 09/24)	7	Mar	Q1	30/3/2017	3,500	3,500	1,000	29,000	2.064	4.030	4.059	4.072	64.0%
9	20-yr New Issue of MGS (Mat on 04/37)	20	Apr	Q2	6/4/2017	3,000	2,000	1,000	31,000	1.585	4.725	4.762	4.799	90.0%
10	5-yr New Issue of MGII (Mat on 04/22)	5	Apr	Q2	13/4/2017	4,000	4,000		35,000	2.773	3.925	3.948	3.957	29.0%
11	15-yr Reopening of MGS (Mat on 04/33)	15	Apr	Q2	27/4/2017	3,000	2,500	500	37,500	2.057	4.469	4.503	4.515	64.0%
12	30-yr New Issue of MGII (Mat on 05/47)	30	May	Q2	5/5/2017	3,000	2,000	500	39,500	2.393	4.850	4.895	4.913	19.0%
13	10.5-yr New Issue of MGS (Mat on 11/27)	10	May	Q2	15/5/2017	3,000	3,000	1,000	42,500	3.340	3.880	3.899	3.910	95.0%
14	7-yr Reopening of MGII (Mat on 08/24)	7	May	Q2	30/5/2017	3,500	3,000	1,000	45,500	2.480	3.909	3.926	3.933	82.0%
15	20-yr Reopening of MGS (Mat on 04/37)	20	Jun	Q2	6/6/2017	2,500	2,500		48,000	1.704	4.540	4.558	4.576	3.0%
16	10-yr Reopening of MGII (Mat on 07/27)	10	Jun	Q2	14/6/2017	3,500	3,000	1,000	51,000	2.541	3.991	4.013	4.021	6.9%
17	7-yr Reopening of MGS (Mat on 09/24)	7	Jul	Q3	6/7/2017	3,500	3,000	1,000	54,000	2.877	3.913	3.919	3.924	63.0%
18	30-yr Reopening of MGII (Mat on 05/47)	30	Jul	Q3	13/7/2017	2,500	2,000		56,000	1.915	4.900	4.926	4.946	66.7%
19	10-yr Reopening of MGS (Mat on 11/27)	10	Jul	Q3	27/7/2017	3,000	3,500	1,000	59,500	1.683	3.957	3.978	3.989	5.6%
20	20-yr New Issue of MGII (Mat on 08/37)	20	Aug	Q3	3/8/2017	3,000	2,500		62,000	1.784	4.723	4.755	4.783	50.0%
21	3.5-yr New Issue of MGS (Mat on 02/21)	3	Aug	Q3	14/8/2017	4,000	3,500		65,500	1.706	3.422	3.441	3.455	72.0%
22	7-yr Reopening of MGII (Mat on 08/24)	7	Aug	Q3	29/8/2017	3,500	3,500	500	69,000	2.104	3.963	3.975	3.980	62.5%
23	5-yr Reopening of MGS (Mat on 03/22)	5	Sep	Q3	14/9/2017	3,500	4,000		73,000	1.899	3.481	3.501	3.520	72.9%
24	15-yr Reopening of MGII (Mat on 08/33)	15	Sep	Q3	28/9/2017	3,000	3,000	1,000	76,000	1.727	4.520	4.579	4.640	53.3%
25	7-yr Reopening of MGS (Mat on 09/24)	7	Oct	Q4	5/10/2017	3,500	3,000		79,000	1.604	3.850	3.879	3.898	20.0%
26	20-yr Reopening of MGII (Mat on 08/37)	20	Oct	Q4	12/10/2017	2,500	1,500	1,000	80,500	2.147	4.755	4.785	4.803	36.4%
27	30-yr Reopening of MGS (Mat on 03/46)	30	Oct	Q4	26/10/2017	2,000	2,500	500	83,000	1.603	4.850	4.957	5.000	2.5%
28	10-yr Reopening of MGII (Mat on 07/27)	10	Nov	Q4	14/11/2017	2,500	3,000		86,000	1.832	4.300	4.347	4.37	95.0%
29	15-yr Reopening of MGS (Mat 04/33)	15	Nov	Q4		2,500								
30	5-yr Reopening of MGII (Mat on 04/22)	5	Nov	Q4		3,000								
31	10-yr Reopening of MGS (Mat on 11/27)	10	Dec	Q4		3,000								
32	15.5-yr New Issue of MGII (Mat on 06/33)	15	Dec	Q4		2,500								
Estimated gross MGS/GII supply in 2017						101,000								

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