

Global Markets Research

Fixed Income : Auction Calendar

Reopening of 15-year GII 6/33 prints decent BTC of 2.0x

Today's reopening auction of 15-year GII 6/33 received decent interests with BTC of 2.0x. This came in higher than the BTC of 1.775x recorded during its debut in December last year, even though this marked its lowest BTC since the reopening of MGS 4/37 on 4th January this year. The print-size of RM2.5b+1.0b (private placement) totaling RM3.5b was again within our expectations. The summary of tender results are as follows:-

Bid to Cover : 1.996x
 High : 4.564%
 Average : 4.550%
 Low : 4.540%
 Cut off : 42.86%

Decent yield and BTC for this tender underpinned by local interests

Today's tender also garnered decent average yield of 4.550%, though a tad softer vs 4.724% in the new issuance in December, and was close to currently traded levels of 4.53%. When compared to the 15Y MGS 4/33 issued in January, the average yield level of 4.55% is only 14bps higher. Up next in the auction calendar is the reopening of 3Y MGS 11/21 with a forecasted tender size of RM3.5b.

MGS/GII issuance pipeline in 2018														
No	Stock	Tenure (yrs)	Tender Month	Quarter	Tender Date	Total Expected Size (RM mil)	Auction Issuance (RM mil)	Private Placement	Amt Issued YTD	BTC (times)	Low	Average	High	Cut-off
1	20-yr Reopening of MGS (Mat on 04/37)	20	Jan	Q1	4/1/2017	3,000	2,000	1,000	2,000	1.905	4.573	4.607	4.640	14.3%
2	5-yr Reopening of MGII (Mat on 04/22)	5	Jan	Q1	12/1/2018	3,000	4,000		6,000	2.581	3.810	3.823	3.829	78.6%
3	15-yr Reopening of MGS (Mat on 04/33)	15	Jan	Q1	26/1/2018	3,000	2,500	1,000	8,500	2.474	4.415	4.446	4.455	1.7%
4	7.5-yr New Issue of MGII (Mat on 08/25)	7	Feb	Q1	6/2/2018	4,000	3,000	1,000	11,500	2.284	4.110	4.128	4.138	55.0%
5	10-yr Reopening of MGS (Mat on 11/27)	10	Feb	Q1	27/2/2018	3,000	3,500	500	15,000	2.066	4.036	4.055	4.064	90.0%
6	30-yr Reopening of MGII (Mat on 05/47)	30	Mar	Q1	8/3/2018	2,500	1,500	1,000	16,500	2.071	4.890	4.930	4.955	10.0%
7	7-yr New Issue of MGS (Mat on 03/25)	7	Mar	Q1	13/3/2018	4,000	3,000	1,000	19,500	2.347	3.870	3.882	3.889	67.7%
8	15-yr Reopening of MGII (Mat on 06/33)	15	Mar	Q1	22/3/2018	3,000	2,500	1,000	22,000	1.996	4.540	4.550	4.564	42.9%
9	3-yr Reopening of MGS (Mat on 11/21)	3	Mar	Q1		3,500								
10	20-yr Reopening of MGII (Mat on 08/37)	20	Apr	Q2		2,000								
11	5-yr New Issue of MGS (Mat on 04/23)	5	Apr	Q2		4,000								
12	10.5-yr New Issue of MGII (Mat on 10/28)	10	Apr	Q2		4,000								
13	15.5-yr New Issue of MGS (Mat on 11/33)	15	May	Q2		4,000								
14	7-yr Reopening of MGII (Mat on 08/25)	7	May	Q2		3,500								
15	10-yr Reopening of MGS (Mat on 06/28)	10	May	Q2		3,500								
16	5.5-yr New Issue of MGII (Mat on 11/23)	5	May	Q2		4,000								
17	20-yr New Issue of MGS (Mat on 06/38)	20	Jun	Q2		3,000								
18	15-yr Reopening of MGII (Mat on 06/33)	15	Jun	Q2		2,500								
19	30-yr New Issue of MGS (Mat on 07/48)	30	Jul	Q3		3,000								
20	10-yr Reopening of MGII (Mat on 10/28)	10	Jul	Q3		3,000								
21	7-yr Reopening of MGS (Mat on 03/25)	7	Jul	Q3		3,500								
22	20-yr Reopening of MGII (Mat on 08/37)	20	Aug	Q3		2,000								
23	15-yr Reopening of MGS (Mat on 11/33)	15	Aug	Q3		3,500								
24	5-yr Reopening of MGII (Mat on 11/23)	5	Aug	Q3		3,000								
25	30-yr Reopening of MGII (Mat on 05/7)	30	Sep	Q3		2,000								
26	10-yr Reopening of MGS (Mat on 06/28)	10	Sep	Q3		3,500								
27	3.5-yr New Issue of MGII (Mat on 03/22)	3	Sep	Q3		3,000								
28	20-yr Reopening of MGS (Mat on 06/38)	20	Oct	Q4		3,000								
29	10-yr Reopening of MGII (Mat on 10/28)	10	Oct	Q4		3,500								
30	7-yr Reopening of MGII (Mat 08/25)	7	Nov	Q4		3,000								
31	5-yr Reopening of MGS (Mat on 04/23)	5	Nov	Q4		3,000								
32	20-yr Reopening of MGII (Mat on 08/37)	20	Dec	Q4		2,000								
33	3-yr Reopening of MGII (Mat on 03/22)	3	Dec	Q4		2,000								
Actual gross MGS/GII supply in 2018						102,500	22,000	6,500						

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Menara Hong Leong

6, Jalan Damanela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1223/1

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

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