

Global Markets Research Fixed Income : Auction Calendar

Re-opening of 5-year GII 3/26 prints BTC of 2.067x

Post-announcement, WI opened wide at 2.30/15% with levels eventually tightening to 2.25/17% with several trades estimated at ~RM200m done between 2.25-22% levels before finally settling at 2.25%. This auction was stronger-than-expected; notching a BTC ratio above the 2.0x handle with bids amounting to RM9.3b and saw almost similar interest when compared to its earlier auction with bids totaling RM9.98b on a BTC ratio of 1.996x in October 2020. The offering was again in line with our total forecast issuance of RM4.5b. The summary of tender results are as follows:-

Bid to Cover: 2.067x High : 2.26% Average : 2.252% Low : 2.23% Cut off : 63.16 %

This 5y GII auction saw strong support mainly by inter-bank traders and portfolio managers as the bond provides a decent and consistent spread of ~50bps against the OPR...

MCC/CILisournes singling in 2021

The short tail of a mere ~0.8bps reflects strong appetite as this tenure remains a relevant benchmark for inter-bank traders and portfolio managers. The average yield at 2.252% was slightly higher compared to its similar auction which was awarded at 2.204% in October last year under the current low yield environment. Nevertheless this benchmark when duration-adjusted, **displays relative value** compared to the conventional equivalent i.e. 5Y benchmark MGS 9/25 yield which was last done at 2.09% levels today (We note that the yearly historical mean spread between the Islamic and conventional 5Y benchmarks is ~13bps). Up next on the calendar is the reopening of 20Y MGS 5/40 for which we are also penciling in a total projected issuance size of RM4.5b.

2 15-yr new Issuance of cit (Mat on 7/36) 15 Jan 0.0 1.000 6,500 2.917 3.835 3.447 3.475 95.75 10-yr Reopening of Git (Mat on 6/3/26) 5 Feb 01 3/2/2021 4.800 15.000 2.067 2.230 2.252 2.266 63.27 2-yr Reopening of Git (Mat on 6/3/20) 20 Feb 01 3/2/2021 4.800 4.500 15.000 2.067 2.230 2.252 2.266 63.27 7 3-yr Reopening of Git (Mat on 6/30) 30 Mar 01 2.000<		/GII issuance pipeline in 2021													
2 15-yr new Issuance of cit (Mat on 7/36) 15 Jan 0.0 1.000 6,500 2.917 3.835 3.447 3.475 95.75 10-yr Reopening of Git (Mat on 03/26) 5 Feb 01 3/2/2021 4.600 4.500 15.000 2.067 2.230 2.252 2.266 63.27 2-yr Reopening of Git (Mat on 03/27) 7 Feb 01 3.500 2.00	No	Stock			Quarter		Auction Size	Auction Issuance		Amt Issued		Low	Average	High	Cut-off
3 Dry-r Reopening of MGS (Mat no My/31) 10 Jan 01 21/1/2021 4.000 4.000 10.500 1.992 2.848 2.714 2.730 91.75 5 20-yr Reopening of MGS (Mat no My/30) 20 Feb 01 3/2/2021 4.500 15,000 2.067 2.230 2.236 63.25 7 Yr Reopening of MGS (Mat no My/30) 30 Mar 01 3.500 2.000	1	7-yr reopening of MGS (Mat on 06/28)	7	Jan	Q1	6/1/2021	3,500	3,500		3,500	2.026	2.406	2.449	2.463	50.0%
4 5. yr Reopening of GI (Mat on 03/2b) 5 Feb 01 3/2/2021 4.500 4.500 15.000 2.067 2.230 2.232 2.266 63.29 5 20-yr Reopening of GI (Mat on 09/2D) 7 Feb 01 2.000 2.500	2	15.5-yr new Issuance of GII (Mat on 7/36)	15	Jan	Q1	14/1/2021	3,000	3,000	1,500	6,500	2.917	3.385	3.447	3.475	95.5%
5 Dury Reopening of Mis (Mat on 05/40) 20 Feb 01 2.000 2.500 7 30-yr Reopening of Mis (Mat on 06/50) 30 Mar 01 2.000 2.000	3	10-yr Reopening of MGS (Mat on 04/31)	10	Jan	Q1	21/1/2021	4,000	4,000		10,500	1.992	2.684	2.714	2.730	91.7%
6 7.yr Reopening of GII (Mat on 06/20) 7 80-yr Reopening of MGS (Mat on 06/50) 30 Mar 01 2.000 2.000 0 0 0 9 Syr Reopening of MGS (Mat on 09/25) 5 Mar 01 4.000 0 0 0 10 Pr Reopening of MGS (Mat on 09/25) 5 Mar 01 4.000 0 0 0 11 Zyr Reopening of MGS (Mat on 06/28) 7 Apr 02 4.000 0 0 0 0 13 Syr Reopening of MGS (Mat on 06/28) 7 Apr 02 4.000 0	4	5-yr Reopening of GII (Mat on 03/26)	5	Feb	Q1	3/2/2021	4,500	4,500		15,000	2.067	2.230	2.252	2.260	63.2%
7 30-yr Reopening of MGS (Mat on 06/50) 30 Mar 01 2.000 2.000 0 0 0 8 10-yr Reopening of GII (Mat on 10/30) 10 Mar 01 4.000 0	5	20-yr Reopening of MGS (Mat on 05/40)	20	Feb	Q1		2,000		2,500						
8 Ioyr Reopening of GII (Mat on 10/30) 10 Mar 01 4,000 0 0 0 9 5-yr Reopening of MGS (Mat on 09/25) 5 Mar 01 4,000 0	6	7-yr Reopening of GII (Mat on 09/27)	7	Feb	Q1		3,500								
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17 10-yr Reopening of MGS (Mat on 04/31) 10 Jun Q2 3,500 1,000 Image: Constraint of Constr	15	15-yr Reopening of MGS (Mat on 05/35)	15	May	Q2		3,000		1,500						
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28 5-yr Reopening of GII (Mat on 03/26) 5 Sep Q3 4,000 Image: Constraint of Constraints of	26			Sep											
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	36			Dec	Q4		3,500								
Gross MGS/GII supply in 2021 121.000 31.500 PROJECTED TOTAL ISSUANCE SIZE = 152.500	37	3-yr Reopening of MGS (Mat on 06/24)	3	Dec	Q4		3,000								
		Gross MGS/GII supply in	n 2021				121,000		31,500		PROJEC	CTED TOTA	LISSUANCE	SIZE = 15	2,500



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