

## Global Markets Research

### Fixed Income : Auction Calendar

#### Re-opening of 5-year MGS 11/26 prints BTC of 2.329x

Post-announcement, WI quoted wide at 3.30/20%, subsequently tightening to 3.23/20% with circa ~RM300m trades notched between 3.28-23% area (it was last quoted at 3.28/26%). This auction which saw total submission of bids amounting to a solid ~RM11.6b, with bidding metrics above our much-watched 2.0x handle and higher than its similar previous auction exercise recently in October 2021 which notched RM9.19b (BTC ratio: 2.04x). The total offering of RM5.0b was in line with our forecast. Summary of tender results are as follows:

Bid to Cover: 2.329x

High: 3.290%

Average: 3.273%

Low: 3.235%

Cut-off: 39.39%

***This 5Y MGS auction drew a long tail; but surprisingly saw solid participation from inter-bank participants, lifers and offshore institutions...***

The inaugural i.e. 1<sup>st</sup> auction for the year notched an unusually long tail of 1.7bps but surprisingly saw a late surge in tenders with interest mainly from inter-bank participants, lifers and also foreign/offshore parties. The yield offered at 3.273% was ~6bps higher than its last auction which averaged 3.209% recently in October 2021. This benchmark is **deemed to be slightly attractive and trading at a discount** when compared to the 5Y Islamic benchmark equivalent i.e. GII 3/26 which was last done at 3.23% levels. (Note: the historical annualized mean spread between the generic Islamic and conventional 5Y benchmarks is ~6bps whilst for actual benchmarks is almost parrish). Up next on the calendar is the new issuance of 10Y MGS 7/32 with our projected issuance size of RM4.5b

MGS/GII issuance pipeline in 2022														
No	Stock	Tenure (yrs)	Tender Month	Quarter	Tender Date	Projected Issuance Size (RM mil)	Actual Auction Issuance (RM mil)	Actual Private Placement	Total Issuance YTD	BTC (times)	Low	Average	High	Cut-off
1	5-yr reopening of MGS (Mat on 11/26)	5	Jan	Q1	6/1/2021	5,000	5,000		5,000	2.329	3.235	3.273	3.290	39.4%
2	10.5-yr new Issue of MGS (Mat on 7/32)	10	Jan	Q1		4,500								
3	15-yr Reopening of GII (Mat on 07/36)	15	Jan	Q1		4,500								
4	5-yr Reopening of GII (Mat on 09/27)	5	Feb	Q1		4,500								
5	30-yr Reopening of MGS (Mat on 06/50)	30	Feb	Q1		4,500		X						
6	7-yr Reopening of GII (Mat on 10/28)	7	Feb	Q1		4,500								
7	15-yr Reopening of MGS 04/37	15	Mar	Q1		4,500								
8	20-yr Reopening of MGII 09/41	20	Mar	Q1		4,500		X						
9	3-yr Reopening of MGS 03/25	3	Mar	Q1		5,000								
10	10.5-yr New Issue of MGII (Mat on 10/32)	10	Apr	Q2		4,000								
11	20.5-yr New Issue of MGS (Mat on 10/42)	20	Apr	Q2		5,000		X						
12	15-yr Reopening of MGII 07/36	15	Apr	Q2		4,000		X						
13	7-yr New Issue of MGS (Mat on 04/29)	7	Apr	Q2		4,500								
14	30-yr New Issue of MGII (Mat on 05/52)	30	May	Q2		5,000		X						
15	10-yr Reopening of MGS (Mat on 07/32)	10	May	Q2		5,000								
16	3-yr Reopening of MGII 10/25	3	May	Q2		4,500								
17	15-yr Reopening of MGS 04/37	15	Jun	Q2		4,000		X						
18	5-yr Reopening of MGII 09/27	5	Jun	Q2		4,000								
19	30-yr Reopening of MGS 06/50	30	Jun	Q2		4,000		X						
20	10-yr Reopening of MGII (Mat on 10/32)	10	Jul	Q3		5,000		X						
21	20-yr Reopening of MGS (Mat on 10/42)	20	Jul	Q3		5,000		X						
22	7-yr Reopening of MGII 07/29	7	Jul	Q3		5,000								
23	5-yr Reopening of MGS 11/27	5	Aug	Q3		5,000								
24	20-yr Reopening of MGII 09/41	20	Aug	Q3		5,000		X						
25	15-yr Reopening of MGS 04/37	15	Aug	Q3		5,000		X						
26	3-yr Reopening of MGII 10/25	3	Sep	Q3		4,500								
27	7-yr Reopening of MGS (Mat on 04/29)	7	Sep	Q3		5,000								
28	15.5-yr New Issue of MGII (Mat on 03/38)	15	Sep	Q3		5,000								
29	3-yr Reopening of MGS 03/25	3	Oct	Q4		5,000								
30	10-yr Reopening of MGII (Mat on 10/32)	10	Oct	Q4		5,000		X						
31	20-yr Reopening of MGS (Mat on 10/42)	20	Oct	Q4		5,000		X						
32	7-yr Reopening of MGII 07/29	7	Nov	Q4		4,500								
33	5-yr Reopening of MGS 11/27	5	Nov	Q4		4,500								
34	30-yr Reopening of MGII (Mat on 05/52)	30	Nov	Q4		4,000		X						
35	10-yr Reopening of MGS (Mat on 07/32)	10	Dec	Q4		4,500								
36	3-yr Reopening of MGII 10/25	3	Dec	Q4		4,500								
Gross MGS/GII supply in 2022						167,000	5,000	-	5,000	PROJECTED TOTAL ISSUANCE SIZE = 167,000,000				

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