

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 30-year MGS 3/53 prints robust BTC of 2.99x

Post-announcement, WI opened at 4.30/25%. This auction saw sizeable submission of bids totaling RM8.97b, resulting in a BTC ratio of 2.99x at an average yield of 4.243%. This came in notably higher than the 1.90x printed in its previous sale in September last year, at an average yield of 4.454%. The total offering of RM5.0b for this reopening sale, comprising RM3.0bn auction and RM2.0bn private placement, was in line with our projection. Summary of tender results are as follows:

Bid to Cover: 2.990x
 High: 4.250%
 Average: 4.243%
 Low: 4.223%
 Cut-off: 84.8%

This 30Y reopening sale garnered hefty bidding metrics as investors were overall bullish bonds and probably due to the small auction size and relatively scarce offering of ultra long MGS

The average tail of a mere 0.7bps was reflective of the strong demand metrics with interest from diverse participants that included lifers and pension funds. The yield offered at 4.243% is ~ 21bps lower compared to its last equivalent auction which notched an average 4.454% last September. The historical annualized mean spreads between the generic Islamic and conventional 30Y benchmarks are around 7-8bps (Note: the 30Y Islamic benchmark equivalent GII 5/52 was last done at 4.37%). From a term premium perspective, the 30Y sector looks decent although liquidity factor could be a potential deterrent. Up next is the reopening of 5Y GII 7/28 with a projected issuance of RM4.5b.

MGS/GII issuance pipeline in 2024															
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	10-yr Reopening of MGII 8/33	10	Jan	Q1	5/1/2024	5,000	5,000		5,000	2.445	3.880	3.908	3.920	83.3%	
2	30-yr Reopening of MGS 3/53	30	Jan	Q1	12/1/2024	5,000	3,000	2,000	10,000	2.990	4.223	4.243	4.250	84.8%	
3	5-yr Reopening of MGII 7/28	5	Jan	Q1		4,500									
4	7-yr Reopening of MGS 4/31	7	Feb	Q1		4,500									
5	20-yr Reopening of MGII 8/43	20	Feb	Q1		5,000									
6	3-yr Reopening of MGS 5/27	3	Feb	Q1		4,500									
7	15-yr Reopening of MGII 9/39	15	Mar	Q1		5,000									
8	10-yr Reopening of MGS 11/33	10	Mar	Q1		4,500									
9	30-yr New Issue of MGII (Mat on 3/54)	30	Mar	Q1		5,000									
10	5-yr Reopening of MGS 8/29	5	Apr	Q1		5,000									
11	7.5-yr New Issue of MGII (Mat on 10/31)	7	Apr	Q2		5,000									
12	15-yr New Issue of MGS (Mat on 4/39)	15	Apr	Q2		5,000									
13	3-yr Reopening of MGII 9/26	3	Apr	Q2		5,000									
14	20-yr New Issue of MGS (Mat on 05/44)	20	May	Q2		5,500									
15	15-yr Reopening of MGII 9/39	15	May	Q2		5,000									
16	7-yr Reopening of MGS (4/31)	7	May	Q2		5,000									
17	20-yr Reopening of MGII 8/43	20	Jun	Q2		5,000									
18	3-yr Reopening of MGS 5/27	3	Jun	Q2		4,500									
19	30-yr Reopening of MGII 3/54	30	Jun	Q2		5,000									
20	5-yr Reopening of MGS 8/29	5	Jul	Q2		4,500									
21	10-yr Reopening of MGII 11/34	10	Jul	Q3		4,500									
22	15-yr Reopening of MGS 4/39	15	Jul	Q3		5,000									
23	7-yr Reopening of MGII 10/31	7	Aug	Q3		5,000									
24	30-yr Reopening of MGS 3/53	30	Aug	Q3		5,000									
25	5-yr Reopening of MGII 7/29	5	Aug	Q3		4,500									
26	10-yr Reopening of MGS 7/34	10	Aug	Q3		5,000									
27	20-yr Reopening of MGII 8/43	20	Sep	Q3		4,500									
28	7-yr Reopening of MGS 4/31	7	Sep	Q3		4,500									
29	30-yr Reopening of MGII 3/54	30	Sep	Q3		5,000									
30	3-yr Reopening of MGS 5/27	3	Oct	Q4		4,500									
31	10-yr Reopening of MGII 11/34	10	Oct	Q4		4,500									
32	20-yr Reopening of MGS 5/44	20	Oct	Q4		5,000									
33	7-yr Reopening of MGII 10/31	7	Oct	Q4		5,000									
34	15-yr Reopening of MGS 4/39	15	Nov	Q4		5,000									
35	5-yr Reopening of MGII 7/29	5	Nov	Q4		4,500									
36	10-yr Reopening of MGS 7/34	10	Nov	Q4		5,000									
37	3-yr Reopening of GII 9/27	3	Dec	Q4		4,500									
Gross MGS/GII supply in 2024								8,000	2,000	-	PROJECTED TOTAL ISSUANCE = RM174-179b				

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