

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 5-year GII 7/28 prints a solid BTC of 4.40x

Post-announcement, WI opened at 3.65/61%. This auction saw sizeable submission of bids totaling RM22.01b, resulting in a BTC ratio of 4.40x at an average yield of 3.620%. This came in notably higher than the 1.95x BTC in its previous sale in September last year, at an average yield of 3.808%. The total offering of RM5.0b for this reopening sale, was slightly ahead of our projection of RM4.5b. Summary of tender results are as follows:

Bid to Cover: 4.402x
 High: 3.624%
 Average: 3.620%
 Low: 3.610%
 Cut-off: 51.25%

This 5Y GII reopening witnessed sizable bidding metrics, with BTC surging compared to its previous reopening, despite coming in ~19bps lower in yield

The short tail of a mere 0.4bps was reflective of the strong demand metrics with interest from diverse participants led by banks and insurances companies. The yield offered at 3.620% is ~ 19bps lower compared to its last equivalent auction which notched an average 3.808% last September. The historical annualized mean spreads between the generic Islamic and conventional 5Y benchmarks are around 5-6bps, so at the current 3bps it does look a little on the rich side. From a term premium perspective, the 5Y sector looks fairly valued, with the current GII 3s5s spread at 15.8bps which compares to an average of 17.0bps over the last year. Up next is the reopening of 7Y MGS 4/31 next month, with a projected issuance size 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	19/1/2024	4,500	5,000		15,000	4.402	3.610	3.620	3.624	51.3%
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						178,500	13,000	2,000	-	PROJECTED TOTAL ISSUANCE = RM174-179b				

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1223/1

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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