

Global Markets Research

Fixed Income : Auction Calendar

Reopening of 15-year GII 7/40 draws strong BTC of 3.362x

Post the tender announcement, WI opened at 3.88% bid without any offer. About RM50m of the WI was traded between 3.81-76%, and it was quoted at 3.75/72% before the auction cut-off. The auction itself saw strong interest, with bids totaling RM10.09bn tendered, resulting in a solid BTC ratio of 3.362x. The auction cleared at an average yield of 3.748% with a tail of 0.6bps (the new issuance of the 15yr GII 7/40 in January cleared at 3.974% with a massive BTC of 4.289x and tail of 0.4bps). The total offering of RM4.0bn for this reopening auction (which was inclusive of a private placement of RM1.0bn) was in line with our expectations, and brings the total issuance size of the bond to RM8.0bn. Summary of the tender results are as follows:

Bid to Cover: 3.362x

High: 3.754%

Average: 3.748%

Low: 3.735%

Cut-off: 41.67%

This 15Y GII reopening auction saw strong demand, with a solid BTC of 3.362x. Valuations look attractive both versus GII, and from a term premium perspective

The huge BTC was reflective of the strong demand for the paper, with the auction being used by market participants to pick up more bonds in size following the strong rally in local government bonds over the last 3 days, with particular interest seen mainly from asset managers and the insurance community. The historical mean spread between the generic Islamic and conventional 15Y benchmarks over the last year has been around 0.8bps, so at the current 3.3bps, valuations look attractive from a relative perspective. From a term premium perspective, the 15Y sector of the GII curve is also on the cheap side, with the current generic GII 10s15s spread at 17.8bps which compares to an average of 13.6bps over the last 12 months. Up next is the reopening auction of the 3-year MGS 4/28, with a projected issuance size of RM5.0bn.

MGS/GII Issuance pipeline in 2025														
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	7-yr Reopening of MGS 07/32	7	Jan	Q1	7/1/2025	4,000	5,000		5,000	2.808	3.791	3.799	3.803	51.7%
2	15.5-yr New Issue of MGII (Mat on 07/40)	15	Jan	Q1	14/1/2025	5,000	3,000	1,000	9,000	4.289	3.960	3.974	3.978	57.9%
3	3-yr Reopening of MGII 07/28	3	Jan	Q1	23/1/2025	4,000	5,500		14,500	2.623	3.549	3.561	3.564	90.6%
4	30-yr Reopening of MGS 03/53	30	Feb	Q1	5/2/2025	4,000	2,500	2,000	19,000	2.360	4.160	4.186	4.191	74.6%
5	7-yr Reopening of MGII 10/31	7	Feb	Q1	12/2/2025	5,000	5,000		24,000	2.867	3.777	3.785	3.790	56.9%
6	20-yr Reopening of MGS 05/44	20	Feb	Q1	20/2/2025	4,000	2,500	2,000	28,500	2.987	4.060	4.068	4.071	45.0%
7	5.5-yr New Issue of MGII (Mat on 08/30)	5	Feb	Q1	27/2/2025	5,000	5,500		34,000	3.165	3.620	3.635	3.639	27.2%
8	15-yr Reopening of MGS 04/39	15	Mar	Q1	7/3/2025	4,000	3,000	1,000	38,000	3.018	3.950	3.956	3.960	6.3%
9	30-yr Reopening of MGII 03/54	30	Mar	Q1	13/3/2025	4,500	3,000	2,000	43,000	3.077	4.164	4.169	4.171	50.0%
10	10-yr Reopening of MGS 07/34	10	Mar	Q1	27/3/2025	4,000	5,000		48,000	1.670	3.750	3.764	3.772	12.5%
11	15-yr Reopening of MGII 07/40	15	Apr	Q2	7/4/2025	4,000	3,000	1,000	52,000	3.362	3.735	3.748	3.754	41.7%
12	3-yr Reopening of MGS 04/28	3	Apr	Q2		5,000			52,000					
13	10-yr New Issue of MGII (Mat on 04/35)	10	Apr	Q2		4,500			52,000					
14	5-yr New Issue of MGS (Mat on 05/30)	5	May	Q2		5,000			52,000					
15	20-yr New Issue of MGII (Mat on 05/45)	20	May	Q2		4,500			52,000					
16	15-yr Reopening of MGS 04/39	15	Jun	Q2		4,000			52,000					
17	30-yr Reopening of MGII 03/54	30	Jun	Q2		4,500			52,000					
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2		4,500			52,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			52,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		4,500			52,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,000			52,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,500			52,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			52,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			52,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			52,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			52,000					
27	30-yr New Issue of MGII (Mat on 09/55) (H	30	Sep	Q3		4,500			52,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			52,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			52,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		4,500			52,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			52,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			52,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			52,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			52,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			52,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			52,000					
Gross MGS/GII supply in 2025						164,000	43,000	9,000	52,000	PROJECTED TOTAL ISSUANCE = RM164bn				

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