

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 3-year MGS 4/28 draws modest BTC of 1.928x

Post the tender announcement, WI opened at 3.05/00%. About RM100m of the WI was traded between 3.038-3.035%, and it was quoted at 3.045/038% before the auction cut-off. The auction saw moderate interest, with bids totaling RM9.64bn tendered, resulting in a modest BTC ratio of 1.928x. The auction itself cleared at an average yield of 3.06%, with a short tail of 0.5bps (the previous reopening in April saw it clearing at 3.467%, with a tail of 0.6bps and a strong BTC of 3.177x). The total offering of RM5.0bn for this reopening sale was in line with our projections and brings the total issue size outstanding to RM25.0bn. Summary of the tender results:

Bid to Cover: 1.928x

High: 3.041%

Average: 3.036%

Low: 3.025%

Cut-off: 75.71%

This 3Y MGS reopening saw lukewarm demand, with a modest BTC of 1.928x. Valuations look slightly rich on a relative value angle versus GII, but attractive from a term premium perspective

The modest BTC was reflective of the moderate demand for the bond, with interest seen from banks mostly, and it was the third straight auction with a BTC under 2x cover. The historical mean spread between the generic Islamic and conventional 3Y benchmarks over the last year has been around 1.1bps, so at the current 3.1bps, the MGS appears to be slightly rich from a relative perspective. From a term premium viewpoint, the 3Y sector of the MGS curve looks to be attractive, with the current MGS 3s5s spread at 8.0bps which compares to an average of 12.1bps over the last 12 months. Up next is the new issuance of a new 30Y benchmark GII maturing on September 2055, with a projected issuance size of RM5.0bn (inclusive of RM2.0bn to be privately placed).

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	14/4/2025	5,000	5,000		57,000	3.177	3.459	3.467	3.473	6.1%
13	10-yr New Issue of MGII (Mat on 04/35)	10	Apr	Q2	29/4/2025	4,500	5,000		62,000	1.995	3.578	3.612	3.625	31.4%
14	5-yr New Issue of MGS (Mat on 05/30)	5	May	Q2	14/5/2025	5,000	5,000		67,000	2.133	3.318	3.336	3.345	91.3%
15	20-yr New Issue of MGII (Mat on 05/45)	20	May	Q2	29/5/2025	4,500	3,000	2,000	72,000	3.318	3.770	3.775	3.780	45.2%
16	15-yr Reopening of MGS 04/39	15	Jun	Q2	9/6/2025	4,000	3,000	1,000	76,000	2.857	3.704	3.712	3.717	68.4%
17	30-yr Reopening of MGII 03/54	30	Jun	Q2	13/6/2025	5,000	3,000	2,000	81,000	3.295	4.000	4.010	4.018	62.0%
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2	26/6/2025	5,000	5,000		86,000	3.008	3.463	3.476	3.480	88.3%
19	7-yr Reopening of MGII 10/31	7	Jul	Q3	3/7/2025	5,000	5,000		91,000	2.922	3.360	3.367	3.370	15.0%
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3	14/7/2025	5,000	3,000	2,000	96,000	2.000	3.903	3.917	3.926	2.3%
21	10-yr Reopening of MGII 04/35	10	Jul	Q3	21/7/2025	4,000	5,000		101,000	2.728	3.461	3.468	3.470	95.6%
22	20-yr Reopening of MGS 05/44	20	Aug	Q3	7/8/2025	4,500	2,500	2,000	105,500	2.725	3.740	3.750	3.753	6.1%
23	15-yr Reopening of MGII 07/40	15	Aug	Q3	14/8/2025	4,000	3,000	1,000	109,500	2.848	3.568	3.577	3.580	81.6%
24	5-yr Reopening of MGS 5/30	5	Aug	Q3	21/8/2025	5,000	5,000		114,500	1.867	3.077	3.086	3.092	85.0%
25	20-yr Reopening of MGII 05/45	20	Aug	Q3	28/8/2025	4,500	3,000	2,000	119,500	1.841	3.739	3.755	3.762	37.0%
26	3-yr Reopening of MGS 04/28	3	Sep	Q3	8/9/2025	5,000	5,000		124,500	1.928	3.025	3.036	3.041	75.7%
27	30-yr New Issue of MGII (Mat on 09/55) (H)	30	Sep	Q3		5,000			124,500					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			124,500					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			124,500					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			124,500					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			124,500					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			124,500					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			124,500					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			124,500					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			124,500					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			124,500					
Gross MGS/GII supply in 2025						168,500	103,500	21,000	124,500	PROJECTED TOTAL ISSUANCE = RM168.5bn				

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