

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 30-year GII 3/54 draws strong BTC of 3.295x

Post the tender announcement, WI opened at 4.04/00%. RM40m of the WI traded between 4.025% and 4.01%, and it was quoted at 4.02/00% before the auction cut-off. This auction itself saw solid interest, with bids totaling RM9.89bn tendered, resulting in a strong BTC ratio of 3.295x. The auction cleared at an average yield of 4.010%, with a tail of 0.8bps (the previous reopening in March cleared at 4.169%, with a short tail of 0.2bps and a BTC of 3.077x). The total offering of RM5.0bn for this reopening (inclusive of RM2.0b privately placed) was in line with our projections and brings the issue size outstanding to RM25.0bn. Summary of the tender results:

Bid to Cover: 3.295x

High: 4.018%

Average: 4.010%

Low: 4.000%

Cut-off: 62.0%

This 30Y GII reopening saw solid demand, with a strong BTC of 3.295x. Valuation looks pricey on a relative value angle, but cheap from a term premium perspective

The high BTC was reflective of the solid demand for the bond, with strong interest seen from banks and asset managers. The historical mean spread between the generic Islamic and conventional 30Y benchmarks over the past 12 months has been at -1.1bps, so at the current spread of -3.3bps, the bond looks expensive from a relative angle. From a term premium perspective, the 30Y sector of the GII curve looks to be rather attractive, with the current GII 20s30s spread at 22.0bps which compares to an average of 10.9bps over the last year. Up next to conclude government bond auctions for this month is the issuance of a new 10Y benchmark MGS maturing in June 2035, 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	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		5,000			81,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			81,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		5,000			81,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,000			81,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,500			81,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			81,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			81,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			81,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			81,000					
27	30-yr New Issue of MGII (Mat on 09/55)	30	Sep	Q3		5,000			81,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			81,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			81,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			81,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			81,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			81,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			81,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			81,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			81,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			81,000					
Gross MGS/GII supply in 2025						168,500	67,000	14,000	81,000	PROJECTED TOTAL ISSUANCE = RM168.5bn				

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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