

## Global Markets Research

## Fixed Income : Auction Calendar

***New Issuance of 5-year MGS 5/30 draws moderate BTC of 2.133x***

Post the tender announcement, WI opened at 3.37/32%. RM10m of the WI was traded at 3.32%, and it was quoted at 3.34/32% before the auction cut-off. This auction itself saw moderate interest, with bids totaling RM10.66b tendered, resulting in a decent BTC ratio of 2.133x. The auction cleared at an average yield of 3.336%, with a tail of 0.9bps (the previous reopening of the MGS 8/29 In July saw it clearing at 3.672%, with a tail of 0.7bps and a BTC of 2.187x). The total offering of RM5.0b for this new issuance was in line with our projections, with the bond taking over from the MGS 8/29 as the benchmark 5Y MGS. Summary of the tender results:

Bid to Cover: 2.133x

High: 3.345%

Average: 3.336%

Low: 3.318%

Cut-off: 91.25%

***This 5Y MGS reopening saw moderate demand, with a decent BTC of 2.133x. Valuations look rich relative to GII, but fair from a term premium perspective***

The decent BTC was reflective of the moderate demand for the bond, with interest seen from banks and insurers mostly. The historical mean spread between the generic Islamic and conventional 5Y benchmarks over the last year has been around 0.7bps, so at the current 7.4bps, the MGS appears expensive from a relative perspective. From a term premium perspective, the 5Y sector of the MGS curve looks to be fairly valued, with the current MGS 3s5s spread at 13.6bps which compares to an average of 13.9bps over the last 12 months. Up next is the new issuance of a new 20Y GII benchmark maturing in 5/45, with a projected issuance size of RM4.5bn (inclusive of a private placement of RM2bn), with the bond to take over the 20Y benchmark status from the GII 8/43.

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		4,500			67,000					
16	15-yr Reopening of MGS 04/39	15	Jun	Q2		4,000			67,000					
17	30-yr Reopening of MGII 03/54	30	Jun	Q2		5,000			67,000					
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2		5,000			67,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			67,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		5,000			67,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,000			67,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,500			67,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			67,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			67,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			67,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			67,000					
27	30-yr New Issue of MGII (Mat on 09/55) (P)	30	Sep	Q3		5,000			67,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			67,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			67,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			67,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			67,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			67,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			67,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			67,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			67,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			67,000					
Gross MGS/GII supply in 2025						168,500	58,000	9,000	67,000	PROJECTED TOTAL ISSUANCE = RM168.5bn				

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