

Global Markets Research

Fixed Income : Auction Calendar

New Issuance of 30-year MGS 7/55 draws moderate BTC of 2.000x

Post the tender announcement, the WI opened at 3.95/90%. RM10m of the WI was traded at 3.94%, and it was quoted at 3.925/895% before the auction cut-off. The auction itself saw moderate demand, with bids totaling RM6.00bn tendered, resulting in a BTC ratio of 2.000x. The auction cleared at an average yield of 3.917%, with a tail of 0.9bps (previous reopening of the MGS 3/53 in February saw it clearing at 4.186%, with a decent BTC of 2.360x and short tail of 0.5bps). The total offering of RM5.0bn for this reopening auction (which was inclusive of a private placement of RM2.0bn) was as per our expectations. Summary of the tender results are as follows:

Bid to Cover: 2.000x

High: 3.926%

Average: 3.917%

Low: 3.903%

Cut-off: 2.27%

This 30Y MGS reopening saw moderate demand, with a lukewarm BTC of 2.000x. Valuations looks rich relative to GII, but rather attractive from a term premium perspective

The moderate BTC was reflective of the lukewarm demand for longer dated paper, with interest seen mainly from insurers and banks. The historical spread between the Islamic and conventional 30Y benchmarks over the past 12 months has been at -1.3bps, so at the current 2.5bps spread, the MGS looks a tad rich from a relative perspective. From a term premium perspective, the 30Y sector of the MGS curve appears attractive, with the current MGS 20s30s spread at 21.2bps which compares to an average of 14.0bps over the past year. Up next is the reopening auction of the benchmark 10Y GII 4/35 with a projected issuance size of RM4.0bn.

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	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		4,000			96,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,500			96,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			96,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			96,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			96,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			96,000					
27	30-yr New Issue of MGII (Mat on 09/55)	30	Sep	Q3		5,000			96,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			96,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			96,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			96,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			96,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			96,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			96,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			96,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			96,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			96,000					
Gross MGS/GII supply in 2025						168,500	80,000	16,000	96,000	PROJECTED TOTAL ISSUANCE = RM168.5bn				

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