

## Global Markets Research

## Fixed Income : Auction Calendar

***Reopening of 15-year GII 7/40 draws strong BTC of 2.848x***

Post the tender announcement, WI opened at 3.61/59%. About RM50m of the WI was traded between 3.60-58%, and it was quoted at 3.585/575% before the auction cut-off. The auction itself saw strong interest, with bids totaling RM8.54bn tendered, resulting in a solid BTC ratio of 2.848x. The auction cleared at an average yield of 3.577% with a short tail of 0.3bps (the previous reopening of the GII 7/40 in April cleared at 3.748% with a strong BTC of 3.362x and tail of 0.6bps). 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 RM12.0bn. Summary of the tender results are as follows:

Bid to Cover: 2.848x

High: 3.580%

Average: 3.577%

Low: 3.568%

Cut-off: 81.6%

***This 15Y GII reopening auction saw strong demand, with a solid BTC of 2.848x. Valuations look fair versus MGS, and attractive from a term premium perspective***

The solid BTC was reflective of the strong demand for the paper, with particular interest seen mainly from institutional funds, 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 0.2bps, so at the current 0.5bps, valuations seem fair from a relative perspective. From a term premium angle, the 15Y sector of the GII curve looks attractive, with the current generic GII 10s15s spread at 21.0bps which compares to an average of 14.8bps over the last 12 months. Up next is the reopening auction of the 5-year MGS 5/30, 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	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		5,000			109,500					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			109,500					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			109,500					
27	30-yr New Issue of MGII (Mat on 09/55) (H)	30	Sep	Q3		5,000			109,500					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			109,500					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			109,500					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			109,500					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			109,500					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			109,500					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			109,500					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			109,500					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			109,500					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			109,500					
Gross MGS/GII supply in 2025						168,500	90,500	19,000	109,500	PROJECTED TOTAL ISSUANCE = RM168.5bn				

**Hong Leong Bank Berhad**

Fixed Income &amp; 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](mailto:HLMarkets@hlbb.hongleong.com.my)

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