

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 15-year MGS 4/39 draws weak BTC of 1.520x

Post the tender announcement, WI opened at 3.63/59%. About RM50m of the WI was traded at 3.635-3.630%, and it was quoted at 3.64/63% before the auction cut-off. The auction itself saw poor demand, with bids totaling RM5.32bn tendered, resulting in a weak BTC ratio of 1.520x, the lowest thus far this year for government bond auctions. The auction cleared at an average yield of 3.638%, with a long tail of 3.6bps (the previous reopening in March cleared at 3.956%, with a BTC of 3.018x and short tail of 0.4bps). The total offering of RM4.5bn for this reopening auction (which was inclusive of a private placement of RM1.0bn) was slightly more than we had anticipated, and bring the total issue size outstanding to RM23.5bn. Summary of the tender results are as follows:

Bid to Cover: 1.520x

High: 3.674%

Average: 3.638%

Low: 3.619%

Cut-off: 50.00%

This 15Y MGS reopening saw weak demand, with a low BTC of 1.520x. Valuation looks slightly rich relative to GII but attractive from a term premium perspective

The weak BTC was reflective of the tepid demand for the paper, with interest seen mainly from banks, as government bond auctions continue to struggle amidst the strong corporate issuance of late. 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 1.5bps, the MGS looks slightly rich on a relative perspective. From a term premium angle, the 15Y sector of the MGS curve looks attractive, with the current MGS 10s15s spread at 20.5bps which compares to an average of 16.5bps over the last 12 months. Up next to conclude government bond funding for the month is the reopening auction of the benchmark 3Y GII 7/28, 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	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 Reopening of MGII 3/54	30	Sep	Q3	12/9/2025	5,000	3,000	2,000	129,500	1.928	3.918	3.927	3.930	100.0%
28	15-yr Reopening of MGS 04/39	15	Sep	Q3	22/9/2025	4,000	3,500	1,000	134,000	1.520	3.619	3.638	3.674	50.0%
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			134,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			134,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			134,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			134,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			134,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			134,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			134,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			134,000					
Gross MGS/GII supply in 2025						168,500	110,000	24,000	134,000	PROJECTED TOTAL ISSUANCE = RM168.5bn				

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