# Global Markets Research

# Fixed Income : Auction Calendar

## *Re-opening of 20-year GII 5/45 draws modest BTC of 1.841x*

Post the tender announcement, WI opened at 3.74/71%. A total of RM30m of the WI was traded between 3.755-750%, and it was quoted at 3.76/75% before the auction cut-off. The auction itself saw muted interest, with bids totaling RM5.52b tendered, resulting in a low BTC ratio of 1.841x. The auction cleared at an average yield of 3.755%, with a tail of 0.7bps (the previous new issuance in May saw it clearing at 3.775%, a tail of 0.5bps and a BTC of 3.318x). The total offering of RM5.0bn for this new issuance (inclusive of the RM2.0bn privately placed) was slightly more than our expectations of RM4.5bn, and brings the issuance size of the bond outstanding to RM10bn. Summary of the tender results are as follows:

Bid to Cover: 1.841x
High: 3.762%
Average: 3.755%
Low: 3.739%
Cut-off: 37.0%

*This 20Y GII reopening saw lukewarm demand, with a modest BTC of 1.841x. Valuations look fair from a relative value angle, but attractive on a term premium perspective*

The modest BTC was reflective of the moderate demand for the bond, with interest seen mostly from the insurance community. The historical mean spread between the generic Islamic and conventional 20Y benchmarks over the last year has been around 0.5bps, so at the current 0.1bps spread, the GII is fairly valued from a relative perspective. From a term premium angle, the 20Y sector of the GII curve looks to be on the cheap side, with the current GII 15s20s spread at 14.5bps which compares to an average of 11.7bps over the last 12 months. This concludes government bond funding for the month, and up next to kick off issuance for September is the reopening of the 3Y benchmark MGS 4/28, 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 | | 5,000 | | | 119,500 | | | | | |
| 27 | 30-yr New Issue of MGII (Mat on 09/55) (I | 30 | Sep | Q3 | | 5,000 | | | 119,500 | | | | | |
| 28 | 15-yr Reopening of MGS 04/39 | 15 | Sep | Q3 | | 4,000 | | | 119,500 | | | | | |
| 29 | 3-yr Reopening of MGII 07/28 | 3 | Sep | Q3 | | 5,000 | | | 119,500 | | | | | |
| 30 | 30-yr Reopening of MGS 07/55 | 30 | Oct | Q4 | | 5,000 | | | 119,500 | | | | | |
| 31 | 5-yr Reopening of MGII 08/30 | 5 | Oct | Q4 | | 5,000 | | | 119,500 | | | | | |
| 32 | 20-yr Reopening of MGS 05/44 | 20 | Oct | Q4 | | 4,500 | | | 119,500 | | | | | |
| 33 | 10-yr Reopening of MGII 04/35 | 10 | Nov | Q4 | | 4,000 | | | 119,500 | | | | | |
| 34 | 7-yr Reopening of MGS 07/32 | 7 | Nov | Q4 | | 5,000 | | | 119,500 | | | | | |
| 35 | 20-yr Reopening of MGII 05/45 | 20 | Nov | Q4 | | 4,500 | | | 119,500 | | | | | |
| 36 | 10-yr Reopening of MGS 07/35 | 10 | Dec | Q4 | | 4,000 | | | 119,500 | | | | | |
| | | | | | | | | | | | | | | |
| Gross MGS/GII supply in 2025 | | | | | | 168,500 | 98,500 | 21,000 | 119,500 | PROJECTED TOTAL ISSUANCE = RM168.5bn | | | | |

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