

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) (H)	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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