

Global Markets Research

Fixed Income : Auction Calendar

New Issuance of 20-year GII 5/45 draws strong BTC of 3.318x

Post the tender announcement, WI opened at 3.88% bid without any offers. RM20m of the WI was traded at 3.78%, and it was quoted at 3.78/77% before the auction cut-off. This auction itself saw solid interest, with bids totaling RM9.95b tendered, resulting in a high BTC ratio of 3.318x. The auction cleared at an average yield of 3.775%, with a short tail of 0.5bps (the previous reopening of the GII 8/43 in September saw it clearing at 4.084%, a tail of 0.7bps and a BTC of 1.922x). The total offering of RM5.0bn for this new issuance (inclusive of the RM2.0bn privately placed) was slightly ahead of our estimates of RM4.5bn. Summary of the tender results:

Bid to Cover: 3.318x

High: 3.780%

Average: 3.775%

Low: 3.770%

Cut-off: 45.15%

This 20Y GII new issuance saw strong demand, with a high BTC of 3.318x. Valuations look a touch attractive from a relative value angle, and fair on a term premium perspective

The high BTC was reflective of the solid demand for the bond, with interest seen mostly from banks and insurance companies. The historical mean spread between the generic Islamic and conventional 20Y benchmarks over the last year has been around 1.2bps, so at the current 2.2bps spread, valuations look slightly attractive from a relative perspective. From a term premium perspective, the 20Y sector of the GII curve looks to be fairly valued, with the current GII 15s20s spread at 11.9bps which compares to an average of 12.3bps over the last 12 months. Up next to kick off issuance for the month ahead is the reopening of 15Y benchmark MGS 4/39, 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		4,000			72,000					
17	30-yr Reopening of MGII 03/54	30	Jun	Q2		5,000			72,000					
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2		5,000			72,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			72,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		5,000			72,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,000			72,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,500			72,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			72,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			72,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			72,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			72,000					
27	30-yr New Issue of MGII (Mat on 09/55)	30	Sep	Q3		5,000			72,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			72,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			72,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			72,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			72,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			72,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			72,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			72,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			72,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			72,000					
Gross MGS/GII supply in 2025						168,500	61,000	11,000	72,000	PROJECTED TOTAL ISSUANCE = RM168.5bn				

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