

Global Markets Research

Fixed Income : Auction Calendar

Reopening of 7-year GII 10/31 draws strong BTC of 2.867x

Post the tender announcement, WI opened at 3.775/755%. RM80m of the WI was traded at 3.78% for the first 2 days, and it was dealt between 3.795% – 3.785% today before the auction cut-off. The auction itself saw good interest, with bids totaling RM14.33bn tendered, resulting in a strong BTC of 2.867x. The auction cleared at an average yield of 3.785%, with a short tail of 0.5bps (previous reopening in October cleared at 3.914% with a BTC of 1.997x and a tail of 1.1bps). The total offering of RM5.0bn for this reopening was in line with our expectations, and brings the total issue size of the bond to RM19.5bn. Summary of the tender results are as follows:

Bid to Cover: 2.867x

High: 3.790%

Average: 3.785%

Low: 3.777%

Cut-off: 56.88%

This 7Y GII reopening saw good demand, with a strong BTC of 2.867x; valuation appears fair versus MGS, but slightly rich on a term premium basis

The strong BTC was reflective of good demand for the paper, with interest seen from lifers, banks and asset managers. From a relative premium perspective, the historical mean spread between the generic Islamic and conventional 7Y benchmarks over the last year has been around -0.4bps, close to the current spread of -0.7bps. From a term premium perspective, the current GII 5s7s spread stands at 15.1bps, slightly rich compared to the 16.5bps average seen over the past 12 months. Up next is the reopening auction of the benchmark 20Y MGS 5/44, with a projected issuance size of RM4.0bn, of which RM1.0bn is expected to be privately placed.

MGS/GII Issuance pipeline in 2025														
No	Stock	Tenure (yrs)	Tender Month	Quarter	Tender Date	Projected Issuance Size (RM ml)	Actual Auction Issuance (RM ml)	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	17,000	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		22,000	2.867	3.777	3.785	3.790	56.9%
6	20-yr Reopening of MGS 05/44	20	Feb	Q1		4,000			22,000					
7	5.5-yr New Issue of MGII (Mat on 08/30)	5	Feb	Q1		5,000			22,000					
8	15-yr Reopening of MGS 04/39	15	Mar	Q1		4,000			22,000					
9	30-yr Reopening of MGII 03/54	30	Mar	Q1		5,000			22,000					
10	10-yr Reopening of MGS 07/34	10	Mar	Q1		4,500			22,000					
11	15-yr Reopening of MGII 07/40	15	Apr	Q2		4,000			22,000					
12	3-yr Reopening of MGS 04/28	3	Apr	Q2		5,000			22,000					
13	10-yr New Issue of MGII (Mat on 04/35)	10	Apr	Q2		4,500			22,000					
14	5-yr New Issue of MGS (Mat on 05/30)	5	May	Q2		5,000			22,000					
15	20-yr New Issue of MGII (Mat on 05/45)	20	May	Q2		4,000			22,000					
16	15-yr Reopening of MGS 04/39	15	Jun	Q2		4,000			22,000					
17	30-yr Reopening of MGII 03/54	30	Jun	Q2		5,000			22,000					
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2		4,500			22,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			22,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		5,000			22,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,500			22,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,000			22,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			22,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			22,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,000			22,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			22,000					
27	30-yr New Issue of MGII (Mat on 09/55) (t	30	Sep	Q3		5,000			22,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			22,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			22,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			22,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			22,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,000			22,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			22,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			22,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,000			22,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			22,000					
Gross MGS/GII supply in 2025						164,000	21,000	3,000	22,000	PROJECTED TOTAL ISSUANCE = RM164bn				

Hong Leong Bank Berhad

Fixed Income & 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

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