

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 30-year GII 3/54 draws strong BTC of 3.077x

Post the tender announcement, WI opened at 4.185/165%. The WI itself did not register any trades, and was quoted at 4.175/165% before the auction cut-off. This auction itself saw solid interest, with bids totaling RM9.23bn tendered, resulting in a strong BTC ratio of 3.077x in a continuation of the trend of well-received government bond auctions of late. The auction cleared at an average yield of 4.169%, with a very short tail of 0.2bps (the previous reopening in September cleared at 4.198%, with a tail of 1.0bps and a low BTC of 1.860x). The total offering of RM5.0bn for this reopening (inclusive of RM2.0b privately placed) was slightly more than our projection and brings the issue size outstanding to RM20.0b. Summary of the tender results:

Bid to Cover: 3.077x
 High: 4.171%
 Average: 4.169%
 Low: 4.164%
 Cut-off: 50.0%

This 30Y GII reopening saw solid demand, with a strong BTC of 3.077x. Valuations look fair on a relative value angle, but slightly cheap from a term premium perspective

The short tail and high BTC was reflective of the solid demand for the bond, with strong interest seen from pension funds, insurers and banks. The historical mean spread between the generic Islamic and conventional 30Y benchmarks over the past 12 months has been at -0.1bps, which is where it stands at the moment, so the bond looks fairly valued on a relative perspective. From a term premium perspective, the 30Y sector of the GII curve looks to be slightly on the cheap side, with the current GII 20s30s spread at 11.5bps which compares to an average of 9.8bps over the last year. Up next to conclude government bond auctions for this month is the reopening of 10Y benchmark MGS 7/34, with a projected issuance size of a more modest RM4.0bn.

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	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		4,000			43,000					
11	15-yr Reopening of MGII 07/40	15	Apr	Q2		4,000			43,000					
12	3-yr Reopening of MGS 04/28	3	Apr	Q2		5,000			43,000					
13	10-yr New Issue of MGII (Mat on 04/35)	10	Apr	Q2		4,500			43,000					
14	5-yr New Issue of MGS (Mat on 05/30)	5	May	Q2		5,000			43,000					
15	20-yr New Issue of MGII (Mat on 05/45)	20	May	Q2		4,500			43,000					
16	15-yr Reopening of MGS 04/39	15	Jun	Q2		4,000			43,000					
17	30-yr Reopening of MGII 03/54	30	Jun	Q2		4,500			43,000					
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2		4,500			43,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			43,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		4,500			43,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,000			43,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,500			43,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			43,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			43,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			43,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			43,000					
27	30-yr New Issue of MGII (Mat on 09/55) (t	30	Sep	Q3		4,500			43,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			43,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			43,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		4,500			43,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			43,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			43,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			43,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			43,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			43,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			43,000					
Gross MGS/GII supply in 2025						164,000	35,000	8,000	43,000	PROJECTED TOTAL ISSUANCE = RM164bn				

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