

Global Markets Research

Fixed Income : Auction Calendar

New Issuance of 5-year GII 8/30 draws solid BTC of 3.165x

Post the tender announcement, WI opened at 3.66/61%. A total of RM20m of the WI was traded at 3.640-635%, and it was quoted at 3.640/635% before the auction cut-off. The auction itself saw strong demand, with bids totaling RM 17.41bn tendered, resulting in a BTC ratio of 3.165x. The auction cleared at an average yield of 3.635%, with a short tail of 0.4bps (previous reopening of GII 7/29 in November saw it clearing at 3.657%, with a BTC of 2.005x and tail of 0.8bps). The total offering of RM5.5bn for this new issuance was slightly above our expectations for RM5.0bn. Summary of the tender results are as follows:

Bid to Cover: 3.165x

High: 3.639%

Average: 3.635%

Low: 3.620%

Cut-off: 27.23%

This 5Y GII new issuance attracted strong demand, with a solid BTC of 3.165x. Valuation looks fair from a term premium perspective, but attractive relative to MGS

The solid BTC was reflective of the strong demand for the paper, with interest seen from a wide variety of participants, notably from banks, asset managers and development financial institutions. From a relative perspective, the historical mean spread between the generic Islamic and conventional 5Y benchmarks over the last year has been around -0.1bps, so at around the current 2.7bps spread, the GII appears attractive. From a term premium perspective, the GII appears fairly valued with the current GII 3s5s spread standing at 1.9bps compared to an average of 2.1bps over the last 12 months. This new issuance will take over as the new benchmark 5Y GII, and up next in March is the reopening auction of the benchmark 15Y 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		4,000			34,000					
9	30-yr Reopening of MGII 03/54	30	Mar	Q1		5,000			34,000					
10	10-yr Reopening of MGS 07/34	10	Mar	Q1		4,500			34,000					
11	15-yr Reopening of MGII 07/40	15	Apr	Q2		4,000			34,000					
12	3-yr Reopening of MGS 04/28	3	Apr	Q2		5,000			34,000					
13	10-yr New Issue of MGII (Mat on 04/35)	10	Apr	Q2		4,500			34,000					
14	5-yr New Issue of MGS (Mat on 05/30)	5	May	Q2		5,000			34,000					
15	20-yr New Issue of MGII (Mat on 05/45)	20	May	Q2		4,000			34,000					
16	15-yr Reopening of MGS 04/39	15	Jun	Q2		4,000			34,000					
17	30-yr Reopening of MGII 03/54	30	Jun	Q2		5,000			34,000					
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2		4,500			34,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			34,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		5,000			34,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,500			34,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,000			34,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			34,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			34,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,000			34,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			34,000					
27	30-yr New Issue of MGII (Mat on 09/55) (t	30	Sep	Q3		5,000			34,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			34,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			34,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		5,000			34,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			34,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,000			34,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			34,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			34,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,000			34,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			34,000					
Gross MGS/GII supply in 2025						164,000	29,000	5,000	34,000	PROJECTED TOTAL ISSUANCE = RM164bn				

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