

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 10-year MGS 7/34 draws low BTC of 1.670x

Post the tender announcement, WI opened at 3.77/75%. About RM150m of the WI was traded between 3.765% - 3.750%, and it was quoted at 3.770/765% prior to the auction cut-off. This auction saw lukewarm interest, with bids totaling RM8.35bn tendered, resulting in a low BTC ratio of 1.670x, and cleared at an average yield of 3.764% with a tail of 0.8bps (the previous 10Y MGS reopening in December cleared at 3.776% with a BTC of 2.015x and a tail of 0.5bps). The total offering of RM5.0bn for this reopening sale was larger than what we were expecting and brings the total issue size outstanding to RM31.0bn. Summary of the tender results are as follows:

Bid to Cover: 1.670x
 High: 3.772%
 Average: 3.764%
 Low: 3.750%
 Cut-off: 12.5%

This 10Y MGS reopening saw lukewarm demand, with a low BTC of 1.670x. Valuations look slightly cheap, both from a term premium angle and relative to GIIs

The auction was poor, drawing a meagre BTC of 1.670x, the lowest among government bond auctions this year with have all been in excess of 2x thus far. Interest for the auction was seen from mostly banks only. The historical mean spread between the generic Islamic and conventional 10Y benchmarks over the past 12 months has been around 1.4bps, so at the current valuation of 0.5bps, the MGS looks a touch on the cheap side. From a term premium perspective, the 10Y sector of the MGS curve also appears to be slightly attractive, with the current MGS 7s10s spread at 5.9bps which compares to an average of 5.2bps over the past year. This concludes the government bond auctions this month, and up next will be the reopening of the GII 7/40, which will take over as the benchmark 15Y GII, and we expect RM3bn in issuance with another RM1bn to be privately placed.

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		4,000			48,000					
12	3-yr Reopening of MGS 04/28	3	Apr	Q2		5,000			48,000					
13	10-yr New Issue of MGII (Mat on 04/35)	10	Apr	Q2		4,500			48,000					
14	5-yr New Issue of MGS (Mat on 05/30)	5	May	Q2		5,000			48,000					
15	20-yr New Issue of MGII (Mat on 05/45)	20	May	Q2		4,500			48,000					
16	15-yr Reopening of MGS 04/39	15	Jun	Q2		4,000			48,000					
17	30-yr Reopening of MGII 03/54	30	Jun	Q2		4,500			48,000					
18	10-yr New Issue of MGS (Mat on 07/35)	10	Jun	Q2		4,500			48,000					
19	7-yr Reopening of MGII 10/31	7	Jul	Q3		5,000			48,000					
20	30-yr New Issue of MGS (Mat on 07/55)	30	Jul	Q3		4,500			48,000					
21	10-yr Reopening of MGII 04/35	10	Jul	Q3		4,000			48,000					
22	20-yr Reopening of MGS 05/44	20	Aug	Q3		4,500			48,000					
23	15-yr Reopening of MGII 07/40	15	Aug	Q3		4,000			48,000					
24	5-yr Reopening of MGS 5/30	5	Aug	Q3		5,000			48,000					
25	20-yr Reopening of MGII 05/45	20	Aug	Q3		4,500			48,000					
26	3-yr Reopening of MGS 04/28	3	Sep	Q3		5,000			48,000					
27	30-yr New Issue of MGII (Mat on 09/55) (H	30	Sep	Q3		4,500			48,000					
28	15-yr Reopening of MGS 04/39	15	Sep	Q3		4,000			48,000					
29	3-yr Reopening of MGII 07/28	3	Sep	Q3		5,000			48,000					
30	30-yr Reopening of MGS 07/55	30	Oct	Q4		4,500			48,000					
31	5-yr Reopening of MGII 08/30	5	Oct	Q4		5,000			48,000					
32	20-yr Reopening of MGS 05/44	20	Oct	Q4		4,500			48,000					
33	10-yr Reopening of MGII 04/35	10	Nov	Q4		4,000			48,000					
34	7-yr Reopening of MGS 07/32	7	Nov	Q4		5,000			48,000					
35	20-yr Reopening of MGII 05/45	20	Nov	Q4		4,500			48,000					
36	10-yr Reopening of MGS 07/35	10	Dec	Q4		4,000			48,000					
Gross MGS/GII supply in 2025						164,000	40,000	8,000	48,000	PROJECTED TOTAL ISSUANCE = RM164bn				

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