Interest Rates Focus

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MAS has announced 2025 SGS issuance calendar

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- **2025 SGS supply**. MAS has announced 2025 SGS issuance calendar. In 2025, "outstanding SGS bonds is expected to grow at a slightly faster pace than in 2024", as global financial conditions are expected to provide better support for demand. We earlier noted that the 3% growth in outstanding SGS in 2024 was at the low end. Given MAS guidance, we put our preliminary expectation of gross SGS supply in 2025 at SGD26-27bn which corresponds to outstanding SGS growth of 3.5-4.0%. The supply outlook is supportive of SGS as usual, as MAS can calibrate the issuance sizes of each bond depending on prevailing market demand and market liquidity.

- **Tenors**. The tenor profile is similar to 2024, with the more notable changes being 1/ there is no 20Y SGS (MD) auction and instead, there will be two 10Y SGS (MD) auctions versus one 10Y SGS auction in 2025 – this may help balance supply at the longer end; and 2/ there is no syndication being mentioned at the announcement; there will be reopening of the 30Y Green SGS (Infra) and of the 50Y Green SGS (Infra) via auctions. Other than these, there are two 2Y SGS (MD) auctions the same as in 2024, three 5Y SGS (MD) auctions the same as in 2024 excluding the mini-auction, and one 15Y SGS (Infra) auction the same as in 2024. There can potentially be up to three (optional) mini auctions; in 2024, only one mini auction was conducted versus a potential of up to three mini auctions.

Auction date	Tenor	New/Reopen	SGS type
27/01/2025	2-year	Reopen	MD
26/02/2025	10-year	New	MD
26/03/2025	5-year	New	MD
28/04/2025	30-year	Reopen	Green Infra
28/05/2025	5-year	Reopen	MD
26/06/2025	15-year	New	Infra
29/07/2025	2-year	Reopen	MD
27/08/2025	5-year	Reopen	MD
26/09/2025	50-year	Reopen	Green Infra
29/10/2025	10-year	Reopen	MD
Mini auctions (optional)			
26/02/2025	TBA		
28/05/2025	TBA		
29/10/2025	TBA		

Source: MAS, OCBC Research

- **T-bills**. The sizes of T-bills will also only be decided nearer each auction date; year-to date (including the upcoming 21 November auction) average auction size of 6M T-bills was SGD6.6bn, versus 2023's average size of SGD5.2bn. We suspect T-bills sizes will be reduced from this year's high levels. While we expect a constructive environment in 2025 for short end bonds in general, due to the broader base of investors in the T-bills market, when rates are at lower levels, some retail demand may subside as the benchmarks they use for comparison are not necessarily the fast-moving market rates.

- **Issuance limit**. The Singapore government had recently proposed a higher issuance limit of SGD1515bn for government securities and treasury bills under the Government Securities (Debt Market and Investment) Act 1992 (or GSA for short). This is an increase of SGD450bn and is intended to last till 2029. The last time the issuance limit was raised was from SGD690bn to SGD1065bn which was intended to last till 2025. As of end-October 2024, outstanding amount of Government securities and T-Bills issued under the GSA is SGD955bn and the Government tips issuances to reach the prevailing limit in 2025. More than 60% of the increase is expected to be issued as Special Singapore Government Securities (SSGS) with the primary purpose of meeting CPF's investment needs. The remaining increase in the issuance limit under the GSA is for projected issuances of publicly-held debt instruments, which are the Singapore Government Securities (Market Development), or SGS (MD), T-Bills, and Singapore Savings Bonds (SSB), which are mainly to support the continued development of a vibrant SGS market to serves as an anchor for the growth of the corporate and retail debt market and meet demand for high quality liquid assets from our financial institutions in tandem with the growth of the financial sector. According to the Second Minister for Finance Mr Chee Hong Tat, market demand for such publicly-held debt instruments will be monitored and the rate of issuance adjusted to meet this demand, if necessary. It is important to note that the proceeds from the issuance of Government securities and Treasury Bills under the GSA are invested and are not used to fund Government spending. Hence, there is no impact on the government's fiscal position. Proceeds from SGS (Infra) under the Significant Infrastructure Government Loan Act (SINGA) to finance nationally significant infrastructure projects presently accounts for less than 2% of total Government borrowings. More importantly, while Singapore's gross debt-to-GDP ratio may appear high on its own, it does not fully reflect Singapore's financial position as it does not consider Singapore's assets, which continue to remain in excess of our debts. Budget 2025 is potentially the last budget in this term of government, and PM Lawrence Wong has opined that economic strategies and jobs will be among the key focus areas.

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