

## Global Markets Research

### Fixed Income : Auction Calendar

#### Re-opening of 10-year MGS 7/35 draws a moderate BTC of 1.867x

Post the tender announcement, the WI opened at 3.62/60%. About RM70m of the WI was traded between 3.635% and 3.630%, and it was quoted at 3.635/630% prior to the auction cut-off. This auction saw lukewarm interest, with bids totaling RM9.33bn tendered, resulting in a moderate BTC ratio of 1.867x, and cleared at an average yield of 3.630% with a tail of 0.8bps (the previous reopening of the MGS 7/35 in February cleared at 3.572% with a weak BTC of 1.603x and a tail of 0.9bps). The total offering of RM5.0bn for this re-opening was in line with what we were expecting, and brings the total issuance size outstanding to RM18.0bn. Summary of the tender results are as follows:

Bid to Cover: 1.867x

High: 3.638%

Average: 3.630%

Low: 3.613%

Cut-off: 66.67%

***This 10Y MGS re-opening saw lukewarm demand, with a BTC of 1.867x. Valuation looks slightly attractive relative to GII, but fairly valued from a term premium angle***

The auction saw lukewarm demand, drawing a moderate BTC of 1.867x, with interest seen mostly from banks and insurers. The historical mean spread between the generic Islamic and conventional 10Y benchmarks over the past 12 months has been around 1.9bps, so at the current valuation of 0.3bps, the MGS looks slightly attractive. From a term premium perspective, the 10Y sector of the MGS curve appears to be fairly valued, with the current MGS 7s10s spread at 7.6bps which compares to an average of 7.4bps over the past year. Up next later this month is the re-opening of the benchmark 3Y GII 10/29, where we expect RM5.0bn to be put up for sale.

MGS/GII issuance pipeline in 2026														
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	5-yr Reopening of MGII 08/30	5	Jan	Q1	7/1/2026	5,000	5,000		5,000	2.296	3.260	3.268	3.272	7.1%
2	15-yr New Issue of MGS (Mat on 01/41)	15	Jan	Q1	14/1/2026	5,000	3,500	1,500	10,000	1.944	3.750	3.766	3.775	100.0%
3	30-yr New Issue of MGII (Mat on 01/56)	30	Jan	Q1	29/1/2026	5,000	3,000	2,000	15,000	2.071	4.020	4.044	4.055	15.6%
4	10-yr Reopening of MGS 07/35	10	Feb	Q1	5/2/2026	5,000	5,000		20,000	1.603	3.559	3.572	3.581	83.3%
5	20-yr Reopening of MGII 5/45	20	Feb	Q1	13/2/2026	5,000	3,000	2,000	25,000	2.896	3.959	3.990	3.994	4.2%
6	5-yr Reopening of MGS 06/31	5	Feb	Q1	26/6/2026	5,000	5,000		30,000	2.921	3.350	3.359	3.361	4.6%
7	15-yr Reopening of MGII 7/40	15	Mar	Q1	9/3/2026	5,000	3,500	1,500	35,000	2.295	3.875	3.895	3.905	38.8%
8	3-yr New Issue of MGS (Mat on 03/29)	3	Mar	Q1	13/3/2026	5,000	5,000		40,000	2.218	3.230	3.237	3.242	0.7%
9	7-yr New Issue of MGII (Mat on 3/33)	7	Mar	Q1	30/3/2026	5,000	5,000		45,000	1.688	3.590	3.624	3.643	60.0%
10	30-yr Reopening of MGS 07/55	30	Apr	Q2	7/4/2026	5,000	3,000	2,000	50,000	2.029	4.180	4.197	4.209	98.6%
11	3.5-yr New Issue of MGII (Mat on 10/29)	3	Apr	Q2	14/4/2026	5,000	5,000		55,000	2.921	3.220	3.227	3.230	56.3%
12	20-yr New Issue of MGS (Mat on 04/46)	20	Apr	Q2	22/4/2026	5,000	3,500	1,500	60,000	2.880	3.972	3.987	3.992	92.2%
13	10-yr Reopening of MGII 4/35	10	May	Q2	14/5/2026	5,000	5,000		65,000	2.868	3.593	3.600	3.607	20.0%
14	7-yr Reopening of MGS 4/33	7	May	Q2	21/5/2026	5,000	5,000		70,000	2.592	3.570	3.580	3.583	67.8%
15	30-yr Reopening of MGII 1/56	30	May	Q2	28/5/2026	5,000	3,000	2,000	75,000	2.285	4.095	4.103	4.110	52.2%
16	3-yr Reopening of MGS 3/29	3	Jun	Q2	4/6/2026	5,000	5,000		80,000	1.928	3.228	3.243	3.249	52.9%
17	15-yr Reopening of MGII 7/40	15	Jun	Q2	12/6/2026	5,000	3,500	1,500	85,000	3.410	3.891	3.898	3.902	75.0%
18	5-yr Reopening of MGS 6/31	5	Jun	Q2	19/6/2026	5,000	5,000		90,000	2.282	3.432	3.439	3.445	32.5%
19	20-yr Reopening of MGII 5/45	20	Jun	Q2	25/6/2026	5,000	3,000	2,000	95,000	3.136	3.980	3.995	4.000	90.3%
20	10-yr Reopening of MGS 07/35	10	Jul	Q3	2/7/2026	5,000	5,000		100,000	1.867	3.613	3.630	3.638	66.7%
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3		5,000			100,000					
22	15-yr Reopening of MGS 01/41	15	Jul	Q3		5,000			100,000					
23	5-yr Reopening of MGII 10/31	5	Aug	Q3		5,000			100,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			100,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			100,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			100,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			100,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			100,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			100,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			100,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			100,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			100,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			100,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			100,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			100,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			100,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			100,000					
Gross MGS/GII supply in 2026						185,000	84,000	16,000	100,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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