

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 10-year MGS 7/35 draws a weak BTC of 1.603x

Post the tender announcement, the WI opened at 3.545/543%. About RM410m of the WI was traded between 3.57% and 3.53%, and it was given at 3.57% prior to the auction cut-off. This auction saw meagre interest, with bids totaling RM8.02bn tendered, resulting in a low BTC ratio of 1.603x, and cleared at an average yield of 3.572% with a tail of 0.9bps (the previous reopening of the MGS 7/35 in December cleared at 3.572% with a BTC of 1.924x and a tail of 0.7bps). 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 RM13.0bn. Summary of the tender results are as follows:

Bid to Cover: 1.603x

High: 3.581%

Average: 3.572%

Low: 3.559%

Cut-off: 83.33%

This 10Y MGS re-opening saw meagre demand, with a low BTC of 1.603x. Valuations look attractive, both relative to GIIs, and from a term premium perspective

The auction was poor, drawing a weak BTC of 1.603x, with interest seen mostly from banks and lifers. The historical mean spread between the generic Islamic and conventional 10Y benchmarks over the past 12 months has been around 2.4bps, so at the current valuation of -1.4bps, the MGS looks attractive. From a term premium perspective, the 10Y sector of the MGS curve also appears to be cheap, with the current MGS 7s10s spread at 10.9bps which compares to an average of 7.2bps over the past year. Up next later this month is the re-opening of the benchmark 20Y GII 5/45, where we expect RM3.0bn to be put up for auction, with a further RM2.0bn to be privately placed.

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		5,000			20,000					
6	5-yr Reopening of MGS 06/31	5	Feb	Q1		5,000			20,000					
7	15-yr Reopening of MGII 7/40	15	Mar	Q1		5,000			20,000					
8	3-yr New Issue of MGS (Mat on 03/29)	3	Mar	Q1		5,000			20,000					
9	7-yr New Issue of MGII (Mat on 3/33)	7	Mar	Q1		5,000			20,000					
10	30-yr Reopening of MGS 07/55	30	Apr	Q2		5,000			20,000					
11	3.5-yr New Issue of MGII (Mat on 10/29)	3	Apr	Q2		5,000			20,000					
12	20-yr New Issue of MGS (Mat on 04/46)	20	Apr	Q2		5,000			20,000					
13	10-yr Reopening of MGII 4/35	10	May	Q2		5,000			20,000					
14	7-yr Reopening of MGS 4/33	7	May	Q2		5,000			20,000					
15	30-yr Reopening of MGII 1/56	30	May	Q2		5,000			20,000					
16	3-yr Reopening of MGS 3/29	3	Jun	Q2		5,000			20,000					
17	15-yr Reopening of MGII 7/40	15	Jun	Q2		5,000			20,000					
18	5-yr Reopening of MGS 6/31	5	Jun	Q2		5,000			20,000					
19	20-yr Reopening of MGII 5/45	20	Jun	Q2		5,000			20,000					
20	10-yr Reopening of MGS 07/35	10	Jul	Q3		5,000			20,000					
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3		5,000			20,000					
22	15-yr Reopening of MGS 01/41	15	Jul	Q3		5,000			20,000					
23	5-yr Reopening of MGII 10/31	5	Aug	Q3		5,000			20,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			20,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			20,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			20,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			20,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			20,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			20,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			20,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			20,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			20,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			20,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			20,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			20,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			20,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			20,000					
Gross MGS/GII supply in 2026						185,000	16,500	3,500	20,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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