

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 5-year GII 8/30 draws moderate BTC of 2.296x

Post the tender announcement, WI opened at 3.26/25%. About RM400m of the WI was traded between 3.272-250%, and it was given at 3.27% before the auction cut-off. The auction itself saw decent demand, with bids totaling RM11.48bn tendered, resulting in a BTC ratio of 2.296x. The auction cleared at an average yield of 3.268%, with a short tail of 0.4bps (previous re-opening in October saw it clearing at 3.217%, with a strong BTC of 2.814x and a short tail of 0.5bps). The total offering of RM5.0bn for this re-opening was in line with our expectations, and bring the issue size outstanding to RM15.5bn. Summary of the tender results are as follows:

Bid to Cover: 2.296x

High: 3.272%

Average: 3.268%

Low: 3.260%

Cut-off: 7.14%

This 5Y GII re-opening attracted decent demand, with a moderate BTC of 2.296x. Valuation looks attractive from a term premium perspective, but rich relative to MGS

The moderate BTC was reflective of the decent demand for the paper, with interest seen mainly from banks. From a relative perspective, the historical mean spread between the generic Islamic and conventional 5Y benchmarks over the last year has been around 3.3bps, so at around the current 0.6bps spread, the GII appears rich. From a term premium angle however, the GII appears attractive with the current GII 3s5s spread standing at 16.5bps compared to an average of 11.7bps over the last 12 months. Up next is the new issuance auction of a new benchmark 15Y MGS (maturing in Jan 2041), with a projected issuance size of RM5.0bn (inclusive of 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		5,000			5,000					
3	30-yr New Issue of MGII (Mat on 01/56)	30	Jan	Q1		5,000			5,000					
4	10-yr Reopening of MGS 07/35	10	Feb	Q1		5,000			5,000					
5	20-yr Reopening of MGII 5/45	20	Feb	Q1		5,000			5,000					
6	5-yr Reopening of MGS 06/31	5	Feb	Q1		5,000			5,000					
7	15-yr Reopening of MGII 7/40	15	Mar	Q1		5,000			5,000					
8	3-yr New Issue of MGS (Mat on 03/29)	3	Mar	Q1		5,000			5,000					
9	7-yr New Issue of MGII (Mat on 3/33)	7	Mar	Q1		5,000			5,000					
10	30-yr Reopening of MGS 07/55	30	Apr	Q2		5,000			5,000					
11	3.5-yr New Issue of MGII (Mat on 10/29)	3	Apr	Q2		5,000			5,000					
12	20-yr New Issue of MGS (Mat on 04/46)	20	Apr	Q2		5,000			5,000					
13	10-yr Reopening of MGII 4/35	10	May	Q2		5,000			5,000					
14	7-yr Reopening of MGS 4/33	7	May	Q2		5,000			5,000					
15	30-yr Reopening of MGII 1/56	30	May	Q2		5,000			5,000					
16	3-yr Reopening of MGS 3/29	3	Jun	Q2		5,000			5,000					
17	15-yr Reopening of MGII 7/40	15	Jun	Q2		5,000			5,000					
18	5-yr Reopening of MGS 6/31	5	Jun	Q2		5,000			5,000					
19	20-yr Reopening of MGII 5/45	20	Jun	Q2		5,000			5,000					
20	10-yr Reopening of MGS 07/35	10	Jul	Q3		5,000			5,000					
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3		5,000			5,000					
22	15-yr Reopening of MGII 01/41	15	Jul	Q3		5,000			5,000					
23	5-yr Reopening of MGII 10/31	5	Aug	Q3		5,000			5,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			5,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			5,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			5,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			5,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			5,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			5,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			5,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			5,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			5,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			5,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			5,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			5,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			5,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			5,000					
Gross MGS/GII supply in 2026						185,000	5,000	-	5,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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