Global Markets Research

Fixed Income : Auction Calendar

Reopening of 10-year GII 7/36 draws moderate BTC of 2.292x

Post the tender announcement, WI opened at 4.05/00%. The WI saw around RM400m being traded between 4.150% and 4.030%, and was quoted at 4.155/140% before the auction cut-off. The auction saw decent interest after the sizable concession over the last couple of trading sessions, with bids totaling RM11.46bn tendered, resulting in a BTC ratio of 2.292x. The auction cleared at an average yield of 4.149% with a tail of 1.1bps (the previous re-opening of the GII 4/35 in May cleared at 3.600%, with a tail of 0.7bps and a strong BTC of 2.868x). The total offering of RM5.0bn for this re-opening was in line with our expectations, and brings the total issuance size to RM26.5bn, with the bond taking over as the new benchmark 10Y GII. Summary of the tender results:

Bid to Cover: 2.292x
High: 4.160%
Average: 4.149%
Low: 4.138%
Cut-off: 60.00%

This 10Y GII re-opening saw decent demand, with a moderate BTC of 2.292x. Valuation looks fair from a term premium perspective, but a tad rich versus MGS

The decent demand for the bond was reflected by the moderate BTC, with interest seen mainly from asset managers and insurers. The historical mean spread between the generic Islamic and conventional 10Y benchmarks over the last year has been around 0.2bps, so at the current -0.9bps differential, valuation looks a tad rich from a relative perspective. From a term premium perspective, the 10Y sector of the GII curve appears to be fairly valued, with the current GII 7s10s spread currently at 7.6bps which is similar to the average over the last 12 months. Up next is the re-opening of the benchmark 7Y MGS 4/33, where an issuance size of RM5.0bn is expected.

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	14/7/2026	5,000	5,000		105,000	2.260	3.280	3.287	3.289	95.3%
22	15-yr Reopening of MGS 01/41	15	Jul	Q3	21/7/2026	5,000	3,500	1,500	110,000	2.056	3.890	3.903	3.910	50.0%
23	5-yr Reopening of MGII 10/31	5	Aug	Q3	4/8/2026	5,000	5,000		115,000	2.402	3.518	3.529	3.534	80.0%
24	30-yr Reopening of MGS 7/55	30	Aug	Q3	11/8/2026	5,000	3,000	2,000	120,000	2.017	4.225	4.213	4.199	30.0%
25	7-yr Reopening of MGII 3/33	7	Aug	Q3	18/8/2026	5,000	5,000		125,000	2.147	3.685	3.696	3.704	51.3%
26	20-yr Reopening of MGS 4/46	20	Aug	Q3	26/8/2026	5,000	3,500	1,500	130,000	1.635	4.169	4.189	4.200	59.3%
27	10-yr Reopening of MGII 7/36	10	Sep	Q3	9/9/2026	5,000	5,000		135,000	2.292	4.138	4.149	4.160	60.0%
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			135,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			135,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			135,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			135,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			135,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			135,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			135,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			135,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			135,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			135,000					
	Gross MGS/GII supply in 2026					185,000	114,000	21,000	135,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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