

Global Markets Research

Fixed Income : Auction Calendar

Reopening of 15-year GII 7/40 draws strong BTC of 3.410x

Post the tender announcement, WI opened for trading at 3.97/92%. About RM150m of the WI was traded between 3.93-90%, and it was quoted at 3.905/890% before the auction cut-off. The auction itself saw solid interest, with bids totaling RM11.94bn tendered, resulting in a strong BTC ratio of 3.410x. The auction cleared at an average yield of 3.898% with a short tail of 0.4bps (the previous reopening of the GII 7/40 in March cleared at 3.895% with a BTC of 2.295x and a tail of 1.0bps). The total offering of RM5.0bn for this reopening auction (which was inclusive of a private placement of RM1.5bn) was in line with our expectations, and brings the total issuance size of the bond to RM22.0bn. Summary of the tender results are as follows:

Bid to Cover: 3.410x

High: 3.902%

Average: 3.898%

Low: 3.891%

Cut-off: 75.00%

This 15Y GII reopening auction saw solid demand, with a strong BTC of 3.410x. Valuations look attractive, both versus MGS and from a term premium perspective

The strong BTC, which was the highest in government bond auctions since January last year and the first time an auction was more than 3 times covered this year, was reflective of the solid demand for the paper, with good interest seen from lifers and banks. The historical mean spread between the generic Islamic and conventional 15Y benchmarks over the last year has been around 1.4bps, so at the current 6.2bps, the bond appears rather cheap from a relative perspective. From a term premium angle, the 15Y sector of the GII curve also appears attractive, with the current generic GII 10s15s spread at 28.3bps which compares to an average of 23.5bps over the last 12 months. Up next is the re-opening auction of the benchmark 5-year MGS 6/31, with a projected issuance size of RM5.0bn.

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		5,000			85,000					
19	20-yr Reopening of MGII 5/45	20	Jun	Q2		5,000			85,000					
20	10-yr Reopening of MGS 07/35	10	Jul	Q3		5,000			85,000					
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3		5,000			85,000					
22	15-yr Reopening of MGS 01/41	15	Jul	Q3		5,000			85,000					
23	5-yr Reopening of MGII 10/31	5	Aug	Q3		5,000			85,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			85,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			85,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			85,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			85,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			85,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			85,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			85,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			85,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			85,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			85,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			85,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			85,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			85,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			85,000					
Gross MGS/GII supply in 2026						185,000	71,000	14,000	85,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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