

## Global Markets Research

### Fixed Income : Auction Calendar

#### Re-opening of 20-year GII 5/45 draws strong BTC of 2.896x

Post the tender announcement, WI opened at 4.00/3.95%. A total of RM100m of the WI was traded between 3.993-985%, and it was quoted at 3.993/985% before the auction cut-off. The auction itself saw solid interest, with bids totaling RM8.69bn tendered, resulting in a strong BTC ratio of 2.896x. The auction cleared at an average yield of 3.990%, with a short tail of 0.4bps (the previous re-opening in August saw it clearing at 3.775%, a tail of 0.7bps and a modest BTC of 1.841x). The total offering of RM5.0bn for this new issuance (inclusive of the RM2.0bn privately placed) matched our expectations, and brings the issuance size of the bond outstanding to RM15bn. Summary of the tender results are as follows:

Bid to Cover: 2.896x

High: 3.994%

Average: 3.990%

Low: 3.959%

Cut-off: 4.17%

***This 20Y GII reopening saw solid demand, with a strong BTC of 2.896x. Valuations look attractive from both a relative value angle and on a term premium perspective***

The strong BTC was reflective of the solid demand for the bond, with interest seen from a wider variety of participants including institutional investors, fund managers and the insurance community. The historical mean spread between the generic Islamic and conventional 20Y benchmarks over the last year has been around 0.1bps, so at the current 2.6bps spread, the GII is attractive from a relative perspective. From a term premium angle, the 20Y sector of the GII curve also looks to be on the cheap side, with the current GII 15s20s spread at 14.6bps which compares to an average of 12.1bps over the last 12 months. Up next later this month is the reopening of the MGS 6/31, with the bond due to take over from the MGS 5/30 as the new benchmark 5Y MGS, and we expect an 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      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 7                                 | 15-yr Reopening of MGII 7/40            | 15           | Mar          | Q1      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 8                                 | 3-yr New Issue of MGS (Mat on 03/29)    | 3            | Mar          | Q1      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 9                                 | 7-yr New Issue of MGII (Mat on 3/33)    | 7            | Mar          | Q1      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 10                                | 30-yr Reopening of MGS 07/55            | 30           | Apr          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 11                                | 3.5-yr New Issue of MGII (Mat on 10/29) | 3            | Apr          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 12                                | 20-yr New Issue of MGS (Mat on 04/46)   | 20           | Apr          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 13                                | 10-yr Reopening of MGII 4/35            | 10           | May          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 14                                | 7-yr Reopening of MGS 4/33              | 7            | May          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 15                                | 30-yr Reopening of MGII 1/56            | 30           | May          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 16                                | 3-yr Reopening of MGS 3/29              | 3            | Jun          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 17                                | 15-yr Reopening of MGII 7/40            | 15           | Jun          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 18                                | 5-yr Reopening of MGS 6/31              | 5            | Jun          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 19                                | 20-yr Reopening of MGII 5/45            | 20           | Jun          | Q2      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 20                                | 10-yr Reopening of MGS 07/35            | 10           | Jul          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 21                                | 3.5-yr Reopening of MGII 10/29          | 3            | Jul          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 22                                | 15-yr Reopening of MGS 01/41            | 15           | Jul          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 23                                | 5-yr Reopening of MGII 10/31            | 5            | Aug          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 24                                | 30-yr Reopening of MGS 7/55             | 30           | Aug          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 25                                | 7-yr Reopening of MGII 3/33             | 7            | Aug          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 26                                | 20-yr Reopening of MGS 4/46             | 20           | Aug          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 27                                | 10-yr Reopening of MGII 7/36            | 10           | Sep          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 28                                | 7-yr Reopening of MGS 04/33             | 7            | Sep          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 29                                | 30-yr Reopening of MGII 1/56            | 30           | Sep          | Q3      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 30                                | 3.5-yr Reopening of MGII 10/29          | 3            | Oct          | Q4      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 31                                | 15-yr Reopening of MGS 1/41             | 15           | Oct          | Q4      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 32                                | 20-yr Reopening of MGII 5/45            | 20           | Oct          | Q4      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 33                                | 10-yr New Issue of MGS (Mat on 10/36)   | 10           | Oct          | Q4      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 34                                | 15-yr Reopening of MGII 7/40            | 15           | Nov          | Q4      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 35                                | 3-yr Reopening of MGS 3/29              | 3            | Nov          | Q4      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 36                                | 10-yr Reopening of MGII 7/36            | 10           | Nov          | Q4      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| 37                                | 30-yr Reopening of MGS 07/55            | 11           | Dec          | Q1      |             | 5,000                            |                                  |                          | 25,000             |                                    |       |         |       |         |
| Gross MGS/GII supply in 2026      |   |              |              |         |             | 185,000                          | 19,500                           | 5,500                    | 25,000             | PROJECTED TOTAL ISSUANCE = RM185bn |       |         |       |         |

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