

Global Markets Research

Fixed Income : Auction Calendar

New Issuance of 3-year MGS 3/29 draws moderate BTC of 2.218x

Post the tender announcement, WI opened at 3.20/15%. About RM200m of the WI was traded between 3.25-3.17%, and it was quoted at 3.24/23% before the auction cut-off. The auction saw decent interest, with bids totaling RM11.09bn tendered, resulting in a moderate BTC ratio of 2.218x. The auction itself cleared at an average yield of 3.237%, with a tail of 0.5bps (the previous reopening of the existing benchmark 3Y MGS 4/28 in September saw it clearing at 3.06%, with a tail of 0.5bps and a modest BTC of 1.928x). The total offering of RM5.0bn for this new issuance sale was in line with our projections, with the bond taking over as the benchmark 3Y MGS. Summary of the tender results:

Bid to Cover: 2.218x
 High: 3.242%
 Average: 3.237%
 Low: 3.230%
 Cut-off: 0.72%

This 3Y MGS new issuance saw decent demand, with a moderate BTC of 2.218x. Valuations look cheap on a relative value angle versus GII, but stretched from a term premium perspective

The moderate BTC was reflective of the decent demand for the bond, with keen interest seen from banks and insurance companies. The historical mean spread between the generic Islamic and conventional 3Y benchmarks over the last year has been around 4.7bps, so at the current 0.7bps, the MGS appears to be cheap from a relative perspective. From a term premium standpoint, the 3Y sector of the MGS curve looks to be expensive, with the current MGS 3s5s spread at 20.2bps which compares to an average of 14.6bps over the last 12 months. Up next is the new issuance of a new 7Y benchmark GII maturing in March 2033, 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 | | 5,000 | | | 40,000 | | | | | |
| 10 | 30-yr Reopening of MGS 07/55 | 30 | Apr | Q2 | | 5,000 | | | 40,000 | | | | | |
| 11 | 3.5-yr New Issue of MGII (Mat on 10/29) | 3 | Apr | Q2 | | 5,000 | | | 40,000 | | | | | |
| 12 | 20-yr New Issue of MGS (Mat on 04/46) | 20 | Apr | Q2 | | 5,000 | | | 40,000 | | | | | |
| 13 | 10-yr Reopening of MGII 4/35 | 10 | May | Q2 | | 5,000 | | | 40,000 | | | | | |
| 14 | 7-yr Reopening of MGS 4/33 | 7 | May | Q2 | | 5,000 | | | 40,000 | | | | | |
| 15 | 30-yr Reopening of MGII 1/56 | 30 | May | Q2 | | 5,000 | | | 40,000 | | | | | |
| 16 | 3-yr Reopening of MGS 3/29 | 3 | Jun | Q2 | | 5,000 | | | 40,000 | | | | | |
| 17 | 15-yr Reopening of MGII 7/40 | 15 | Jun | Q2 | | 5,000 | | | 40,000 | | | | | |
| 18 | 5-yr Reopening of MGS 6/31 | 5 | Jun | Q2 | | 5,000 | | | 40,000 | | | | | |
| 19 | 20-yr Reopening of MGII 5/45 | 20 | Jun | Q2 | | 5,000 | | | 40,000 | | | | | |
| 20 | 10-yr Reopening of MGS 07/35 | 10 | Jul | Q3 | | 5,000 | | | 40,000 | | | | | |
| 21 | 3.5-yr Reopening of MGII 10/29 | 3 | Jul | Q3 | | 5,000 | | | 40,000 | | | | | |
| 22 | 15-yr Reopening of MGS 01/41 | 15 | Jul | Q3 | | 5,000 | | | 40,000 | | | | | |
| 23 | 5-yr Reopening of MGII 10/31 | 5 | Aug | Q3 | | 5,000 | | | 40,000 | | | | | |
| 24 | 30-yr Reopening of MGS 7/55 | 30 | Aug | Q3 | | 5,000 | | | 40,000 | | | | | |
| 25 | 7-yr Reopening of MGII 3/33 | 7 | Aug | Q3 | | 5,000 | | | 40,000 | | | | | |
| 26 | 20-yr Reopening of MGS 4/46 | 20 | Aug | Q3 | | 5,000 | | | 40,000 | | | | | |
| 27 | 10-yr Reopening of MGII 7/36 | 10 | Sep | Q3 | | 5,000 | | | 40,000 | | | | | |
| 28 | 7-yr Reopening of MGS 04/33 | 7 | Sep | Q3 | | 5,000 | | | 40,000 | | | | | |
| 29 | 30-yr Reopening of MGII 1/56 | 30 | Sep | Q3 | | 5,000 | | | 40,000 | | | | | |
| 30 | 3.5-yr Reopening of MGII 10/29 | 3 | Oct | Q4 | | 5,000 | | | 40,000 | | | | | |
| 31 | 15-yr Reopening of MGS 1/41 | 15 | Oct | Q4 | | 5,000 | | | 40,000 | | | | | |
| 32 | 20-yr Reopening of MGII 5/45 | 20 | Oct | Q4 | | 5,000 | | | 40,000 | | | | | |
| 33 | 10-yr New Issue of MGS (Mat on 10/36) | 10 | Oct | Q4 | | 5,000 | | | 40,000 | | | | | |
| 34 | 15-yr Reopening of MGII 7/40 | 15 | Nov | Q4 | | 5,000 | | | 40,000 | | | | | |
| 35 | 3-yr Reopening of MGS 3/29 | 3 | Nov | Q4 | | 5,000 | | | 40,000 | | | | | |
| 36 | 10-yr Reopening of MGII 7/36 | 10 | Nov | Q4 | | 5,000 | | | 40,000 | | | | | |
| 37 | 30-yr Reopening of MGS 07/55 | 11 | Dec | Q1 | | 5,000 | | | 40,000 | | | | | |
| Gross MGS/GII supply in 2026 | | | | | | 185,000 | 33,000 | 7,000 | 40,000 | PROJECTED TOTAL ISSUANCE = RM185bn | | | | |

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