

Global Markets Research

Fixed Income : Auction Calendar

New Issuance of 15-year MGS 1/41 draws moderate BTC of 1.944x

Post the tender announcement, WI opened at 3.80/75%. About RM40m of the WI was traded at 3.760-3.755%, and it was quoted at 3.77/758% before the auction cut-off. The auction itself saw lukewarm demand, with bids totaling RM6.81bn tendered, resulting in a moderate BTC ratio of 1.944x. The auction cleared at an average yield of 3.766%, with a tail of 0.9bps (the previous reopening of the MGS 4/39 in September cleared at 3.638%, with a low BTC of 1.520x and long tail of 3.6bps). The total offering of RM5.0bn for this new issuance (which was inclusive of a private placement of RM1.5bn) was in line with our expectations, with the new bond taking over as the new benchmark 15Y MGS. Summary of the tender results are as follows:

Bid to Cover: 1.944x

High: 3.775%

Average: 3.766%

Low: 3.750%

Cut-off: 100.00%

This 15Y MGS new issuance saw lukewarm demand, with a moderate BTC of 1.944x. Valuation looks slightly cheap relative to GII but attractive from a term premium perspective

The moderate BTC was reflective of the lukewarm demand for the paper, with interest seen mainly from insurers, institutional investors and banks. The historical mean spread between the generic Islamic and conventional 15Y benchmarks over the last year has been around -0.2bps, so at the current -1.5bps, the MGS looks slightly cheap on a relative perspective. From a term premium angle, the 15Y sector of the MGS curve looks attractive, with the current MGS 10s15s spread at 23.7bps which compares to an average of 19.7bps over the last 12 months. Up next to conclude government bond funding for the month is the new issuance auction of a new benchmark 30Y GII (maturing in Jan 2056), with a projected issuance size of RM5.0bn (inclusive of an RM2.0bn PP)

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		5,000			10,000					
4	10-yr Reopening of MGS 07/35	10	Feb	Q1		5,000			10,000					
5	20-yr Reopening of MGII 5/45	20	Feb	Q1		5,000			10,000					
6	5-yr Reopening of MGS 06/31	5	Feb	Q1		5,000			10,000					
7	15-yr Reopening of MGII 7/40	15	Mar	Q1		5,000			10,000					
8	3-yr New Issue of MGS (Mat on 03/29)	3	Mar	Q1		5,000			10,000					
9	7-yr New Issue of MGII (Mat on 3/33)	7	Mar	Q1		5,000			10,000					
10	30-yr Reopening of MGS 07/55	30	Apr	Q2		5,000			10,000					
11	3.5-yr New Issue of MGII (Mat on 10/29)	3	Apr	Q2		5,000			10,000					
12	20-yr New Issue of MGS (Mat on 04/46)	20	Apr	Q2		5,000			10,000					
13	10-yr Reopening of MGII 4/35	10	May	Q2		5,000			10,000					
14	7-yr Reopening of MGS 4/33	7	May	Q2		5,000			10,000					
15	30-yr Reopening of MGII 1/56	30	May	Q2		5,000			10,000					
16	3-yr Reopening of MGS 3/29	3	Jun	Q2		5,000			10,000					
17	15-yr Reopening of MGII 7/40	15	Jun	Q2		5,000			10,000					
18	5-yr Reopening of MGS 6/31	5	Jun	Q2		5,000			10,000					
19	20-yr Reopening of MGII 5/45	20	Jun	Q2		5,000			10,000					
20	10-yr Reopening of MGS 07/35	10	Jul	Q3		5,000			10,000					
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3		5,000			10,000					
22	15-yr Reopening of MGS 01/41	15	Jul	Q3		5,000			10,000					
23	5-yr Reopening of MGII 10/31	5	Aug	Q3		5,000			10,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			10,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			10,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			10,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			10,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			10,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			10,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			10,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			10,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			10,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			10,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			10,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			10,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			10,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			10,000					
Gross MGS/GII supply in 2026						185,000	8,500	1,500	10,000	PROJECTED TOTAL ISSUANCE = RM185bn				

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1223/1

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my

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