

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 5-year MGS 6/31 draws moderate BTC of 2.282x

Post the tender announcement, WI opened at 3.47/42%. Around RM750m of the WI was traded and it was quoted at 3.445/420% before the auction cut-off. This auction itself saw decent interest, with bids totaling RM11.41bn tendered, resulting in a moderate BTC ratio of 2.282x. The auction cleared at an average yield of 3.439%, with a tail of 0.6bps (the previous re-opening of the MGS 6/31 in February saw it clearing at 3.359%, with a short tail of 0.2bps and a BTC of 2.921x). The total offering of RM5.0bn for this re-opening was in line with our projections, and brings the issuance size of the bond to RM23.9bn. Summary of the tender results:

Bid to Cover: 2.282x
 High: 3.445%
 Average: 3.439%
 Low: 3.432%
 Cut-off: 32.50%

This 5Y MGS re-opening saw decent demand, with a moderate BTC of 2.282x. Valuations look attractive, both relative to GII and from a term premium perspective

The moderate BTC was reflective of the decent demand for the bond, with keen interest seen from banks and the fund management community. The historical mean spread between the generic Islamic and conventional 5Y benchmarks over the last year has been around 0.3bps, so at the current -6.6bps spread, the MGS appears to be cheap from a relative perspective. From a term premium perspective, the 5Y sector of the MGS curve looks to be slightly attractive, with the current MGS 3s5s spread at 18.4bps which compares to an average of 16.2bps over the past 12 months. Up next to conclude government bond funding for the month is the re-opening of the benchmark 20Y GII 5/45, with a projected issuance size of RM5.0bn (inclusive of a private placement of RM1.5bn).

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		5,000			90,000					
20	10-yr Reopening of MGS 07/35	10	Jul	Q3		5,000			90,000					
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3		5,000			90,000					
22	15-yr Reopening of MGS 01/41	15	Jul	Q3		5,000			90,000					
23	5-yr Reopening of MGII 10/31	5	Aug	Q3		5,000			90,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			90,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			90,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			90,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			90,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			90,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			90,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			90,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			90,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			90,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			90,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			90,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			90,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			90,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			90,000					
Gross MGS/GII supply in 2026						185,000	76,000	14,000	90,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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