Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 3-year MGS 3/29 draws moderate BTC of 2.527x

Post the tender announcement, WI opened at 3.44/41%. About RM150m of the WI was traded between 3.43-3.40%, and it was quoted at 3.395/390% before the auction cut-off. The auction saw decent interest, with bids totaling RM12.64bn tendered, resulting in a moderate BTC ratio of 2.527x. The auction itself cleared at an average yield of 3.394%, with a tail of 0.4bps (the previous reopening in June saw it clearing at 3.243%, with a tail of 0.6bps and a modest BTC of 1.928x). The total offering of RM5.0bn for this re-opening was in line with our projections, and bring the total issuance size outstanding to RM15.0bn. Summary of the tender results:

Bid to Cover: 2.527x
High: 3.398%
Average: 3.394%
Low: 3.380%
Cut-off: 28.49%

This 3Y MGS re-opening auction saw decent demand with a moderate BTC of 2.527x. Valuations look slightly cheap, both on a relative value angle versus GII and from a term premium perspective

The moderate BTC was reflective of the decent demand for the bond, with keen interest seen mostly from banks. The historical mean spread between the generic Islamic and conventional 3Y benchmarks over the last year has been around 2.9bps, so at the current 1.6bps, the MGS appears to be slightly cheap from a relative perspective. From a term premium standpoint, the 3Y sector of the MGS curve looks to be a little attractive, with the current MGS 3s5s spread at 20.2bps which compares to an average of 21.3bps over the last 12 months. Up next to conclude government bond funding for the month is the re-opening of the benchmark 10Y GII 7/36, where we estimate 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	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	25/6/2026	5,000	3,000	2,000	95,000	3.136	3.980	3.995	4.000	90.3%
20	10-yr Reopening of MGS 07/35	10	Jul	Q3	2/7/2026	5,000	5,000		100,000	1.867	3.613	3.630	3.638	66.7%
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3	14/7/2026	5,000	5,000		105,000	2.260	3.280	3.287	3.289	95.3%
22	15-yr Reopening of MGS 01/41	15	Jul	Q3	21/7/2026	5,000	3,500	1,500	110,000	2.056	3.890	3.903	3.910	50.0%
23	5-yr Reopening of MGII 10/31	5	Aug	Q3	4/8/2026	5,000	5,000		115,000	2.402	3.518	3.529	3.534	80.0%
24	30-yr Reopening of MGS 7/55	30	Aug	Q3	11/8/2026	5,000	3,000	2,000	120,000	2.017	4.225	4.213	4.199	30.0%
25	7-yr Reopening of MGII 3/33	7	Aug	Q3	18/8/2026	5,000	5,000		125,000	2.147	3.685	3.696	3.704	51.3%
26	20-yr Reopening of MGS 4/46	20	Aug	Q3	26/8/2026	5,000	3,500	1,500	130,000	1.635	4.169	4.189	4.200	59.3%
27	10-yr Reopening of MGII 7/36	10	Sep	Q3	9/9/2026	5,000	5,000		135,000	2.292	4.138	4.149	4.160	60.0%
28	7-yr Reopening of MGS 04/33	7	Sep	Q3	21/9/2026	5,000	5,000		140,000	2.168	3.959	3.983	3.999	6.4%
29	30-yr Reopening of MGII 1/56	30	Sep	Q3	29/9/2026	5,000	3,000	2,000	145,000	2.013	4.495	4.508	4.520	100.0%
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4	8/10/2026	5,000	5,000		150,000	3.016	3.493	3.506	3.519	88.9%
31	15-yr Reopening of MGS 1/41	15	Oct	Q4	15/10/2026	5,000	3,500	1,500	155,000	2.282	4.070	4.087	4.095	63.6%
32	20-yr Reopening of MGII 5/45	20	Oct	Q4	22/10/2026	5,000	3,000	1,000	159,000	2.286	4.255	4.270	4.280	20.0%
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4	29/10/2026	5,000	5,000	500	164,500	2.583	3.890	3.920	3.928	18.9%
34	15-yr Reopening of MGII 7/40	15	Nov	Q4	12/11/2026	5,000	3,500	2,000	170,000	2.317	4.140	4.158	4.165	51.0%
35	3-yr Reopening of MGS 3/29	3	Nov	Q4	19/11/2026	5,000	5,000		175,000	2.527	3.380	3.394	3.398	28.5%
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			175,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			175,000					
Gross MGS/GII supply in 2026						185,000	147,000	28,000	175,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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