July 21, 2026

Hong Leong Bank

Global Markets Research

Fixed Income : Auction Calendar

Re-opening of 15-year MGS 1/41 draws moderate BTC of 2.056x

Post the tender announcement, WI opened for trading at 3.88/84%. About RM90m of the WI was traded at 3.910-3.902%, and it was quoted at 3.902/900% before the auction cut-off. The auction itself saw decent demand, with bids totaling RM7.20bn tendered, resulting in a moderate BTC ratio of 2.056x. The auction cleared at an average yield of 3.903%, with a tail of 0.7bps (the new issuance of the MGS 1/41 in January cleared at 3.766%, with a BTC of 1.944x and tail of 0.9bps). The total offering of RM3.5bn for this re-opening (which was inclusive of a private placement of RM1.5bn) was in line with our expectations, and brings the issue size outstanding to RM10bn. Summary of the tender results are as follows:

Bid to Cover: 2.056x
High: 3.910%
Average: 3.903%
Low: 3.890%
Cut-off: 50.00%

This 15Y MGS re-opening auction saw decent demand, with a moderate BTC of 2.056x. Valuations look rich, both relative to GII and from a term premium perspective

The moderate BTC was reflective of the decent demand for the bond, with interest seen mainly from banks. The historical mean spread between the generic Islamic and conventional 15Y benchmarks over the last year has been around 1.9bps, so at the current 3.7bps spread, the MGS looks a little expensive from a relative perspective. From a term premium angle, the 15Y sector of the MGS curve also appears rich, with the current MGS 10s15s spread at 21.5bps which compares to an average of 24.3bps over the last 12 months. Up next in the month ahead will be the re-opening of the GII 10/31, which will take over from the GII 8/30 as the new benchmark 5Y GII and we project 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		5,000			110,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			110,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			110,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			110,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			110,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			110,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			110,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			110,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			110,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			110,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			110,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			110,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			110,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			110,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			110,000					
	Gross MGS/GII supply in 2026					185,000	92,500	17,500	110,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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