

## Global Markets Research

### Fixed Income : Auction Calendar

#### Reopening of 5-year MGS 6/31 draws strong BTC of 2.921x

Post the tender announcement, WI opened at 3.39/37%. Around RM550m of the WI was traded between 3.39-36%, and it was quoted at 3.361/359% before the auction cut-off. This auction itself saw solid interest, with bids totaling RM14.60bn tendered, resulting in a strong BTC ratio of 2.921x. The auction cleared at an average yield of 3.359%, with a short tail of 0.2bps (the previous re-opening of the existing benchmark 5Y MGS 5/30 in August saw it clearing at 3.086%, with a tail of 0.6bps and a BTC of 1.867x). 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 RM18.9bn. Summary of the tender results:

Bid to Cover: 2.921x

High: 3.361%

Average: 3.359%

Low: 3.350%

Cut-off: 4.55%

***This 5Y MGS re-opening saw solid demand, with a strong BTC of 2.921x. Valuations look attractive, both relative to GII and from a term premium perspective***

The strong BTC was reflective of the solid demand for the bond, with keen interest seen from banks and insurance companies. The historical mean spread between the generic Islamic and conventional 5Y benchmarks over the last year has been around 2.9bps, so at the current -5.0bps 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 very attractive, with the current MGS 3s5s spread at 26.5bps which compares to an average of 14.2bps over the last 12 months. The bond will take over from MGS 5/30 as the new benchmark 5Y MGS. Up next is the re-opening of the benchmark 15Y GII 7/40, with a projected issuance size of RM5.0bn (inclusive of a private placement of RM2.0bn).

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

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