Global Markets Research

Fixed Income : Auction Calendar

Reopening of 10-year GII 7/36 draws moderate BTC of 2.238x

Post the tender announcement, the WI opened at 3.832% choice and was given. The WI saw around RM50m being traded between 3.832% and 3.810%, and was offered at 3.81% and taken there before the auction cut-off. The auction itself saw decent interest, with bids totaling RM11.19bn tendered, resulting in a BTC ratio of 2.238x. The auction cleared at an average yield of 3.811% with a tail of 0.9bps (the previous re-opening in September cleared at 4.149%, with a tail of 1.1bps and a BTC of 2.292x). The total offering of RM5.0bn for this re-opening was in line with our expectations, and brings the total issuance size to RM31.5bn. Summary of the tender results:

Bid to Cover: 2.238x
High: 3.820%
Average: 3.811%
Low: 3.798%
Cut-off: 31.25%

This 10Y GII re-opening saw decent demand, with a moderate BTC of 2.238x. Valuation looks fair from a term premium perspective, but cheap versus MGS

The decent demand for the bond was reflected by the moderate BTC, with interest seen mainly from banks. The historical mean spread between the generic Islamic and conventional 10Y benchmarks over the last year has been around 0.9bps, so at the current 4.6bps differential, it appears cheap from a relative perspective. From a term premium angle, the 10Y sector of the GII curve appears to be fairly valued, with the current GII 7s10s spread currently at 11.1bps which compares to the average of 10.4bps over the last 12 months. This concludes government bond funding for the month and up next month in the final bond auction for the year is the new issuance of a fresh benchmark 30Y MGS, where we expect an 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	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	26/11/2026	5,000	5,000		180,000	2.238	3.798	3.811	3.820	31.3%
37	30-yr New Issue of MGS (Mat on 12/56)	11	Dec	Q1		5,000			180,000					
Gross MGS/GII supply in 2026						185,000	152,000	28,000	180,000	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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