

Global Markets Research

Fixed Income : Auction Calendar

New Issuance of 30-year GII 1/56 draws a moderate BTC of 2.071x

Post the tender announcement, WI opened at 4.06/01%. RM60m of the WI was traded between 4.040% and 4.039%, and it was quoted at 4.045/035% before the auction cut-off. This auction itself saw decent interest, with bids totaling RM6.21bn tendered, resulting in a moderate BTC ratio of 2.071x. The auction cleared at an average yield of 4.044%, with a tail of 1.1bps (the previous reopening of the GII 3/54 in September cleared at 3.927%, with a short tail of 0.3bps and a BTC of 1.928x). The total offering of RM5.0bn for this reopening (inclusive of RM2.0bn privately placed) was in line with our projections, with the bond taking over as the new benchmark 30Y GII. Summary of the tender results:

Bid to Cover: 2.071x

High: 4.055%

Average: 4.044%

Low: 4.020%

Cut-off: 15.62%

This 30Y GII new issuance saw decent demand, with a moderate BTC of 2.071x. Valuations looks slightly cheap on a relative value angle, and fairly valued from a term premium perspective

The moderate BTC was reflective of the decent demand for the bond, with interest seen mainly from pension funds and insurers. The historical mean spread between the generic Islamic and conventional 30Y benchmarks over the past 12 months has been -0.2bps, so at the current spread of 1.2bps, the bond looks slightly cheap from a relative angle. From a term premium perspective, the 30Y sector of the GII curve looks to be fairly valued, with the current GII 20s30s spread at 13.9bps which compares to an average of 14.1bps over the past year. Up next is the re-opening of the benchmark 10Y MGS 7/35 next month, with a projected 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		5,000			15,000					
5	20-yr Reopening of MGII 5/45	20	Feb	Q1		5,000			15,000					
6	5-yr Reopening of MGS 06/31	5	Feb	Q1		5,000			15,000					
7	15-yr Reopening of MGII 7/40	15	Mar	Q1		5,000			15,000					
8	3-yr New Issue of MGS (Mat on 03/29)	3	Mar	Q1		5,000			15,000					
9	7-yr New Issue of MGII (Mat on 3/33)	7	Mar	Q1		5,000			15,000					
10	30-yr Reopening of MGS 07/55	30	Apr	Q2		5,000			15,000					
11	3.5-yr New Issue of MGII (Mat on 10/29)	3	Apr	Q2		5,000			15,000					
12	20-yr New Issue of MGS (Mat on 04/46)	20	Apr	Q2		5,000			15,000					
13	10-yr Reopening of MGII 4/35	10	May	Q2		5,000			15,000					
14	7-yr Reopening of MGS 4/33	7	May	Q2		5,000			15,000					
15	30-yr Reopening of MGII 1/56	30	May	Q2		5,000			15,000					
16	3-yr Reopening of MGS 3/29	3	Jun	Q2		5,000			15,000					
17	15-yr Reopening of MGII 7/40	15	Jun	Q2		5,000			15,000					
18	5-yr Reopening of MGS 6/31	5	Jun	Q2		5,000			15,000					
19	20-yr Reopening of MGII 5/45	20	Jun	Q2		5,000			15,000					
20	10-yr Reopening of MGS 07/35	10	Jul	Q3		5,000			15,000					
21	3.5-yr Reopening of MGII 10/29	3	Jul	Q3		5,000			15,000					
22	15-yr Reopening of MGS 01/41	15	Jul	Q3		5,000			15,000					
23	5-yr Reopening of MGII 10/31	5	Aug	Q3		5,000			15,000					
24	30-yr Reopening of MGS 7/55	30	Aug	Q3		5,000			15,000					
25	7-yr Reopening of MGII 3/33	7	Aug	Q3		5,000			15,000					
26	20-yr Reopening of MGS 4/46	20	Aug	Q3		5,000			15,000					
27	10-yr Reopening of MGII 7/36	10	Sep	Q3		5,000			15,000					
28	7-yr Reopening of MGS 04/33	7	Sep	Q3		5,000			15,000					
29	30-yr Reopening of MGII 1/56	30	Sep	Q3		5,000			15,000					
30	3.5-yr Reopening of MGII 10/29	3	Oct	Q4		5,000			15,000					
31	15-yr Reopening of MGS 1/41	15	Oct	Q4		5,000			15,000					
32	20-yr Reopening of MGII 5/45	20	Oct	Q4		5,000			15,000					
33	10-yr New Issue of MGS (Mat on 10/36)	10	Oct	Q4		5,000			15,000					
34	15-yr Reopening of MGII 7/40	15	Nov	Q4		5,000			15,000					
35	3-yr Reopening of MGS 3/29	3	Nov	Q4		5,000			15,000					
36	10-yr Reopening of MGII 7/36	10	Nov	Q4		5,000			15,000					
37	30-yr Reopening of MGS 07/55	11	Dec	Q1		5,000			15,000					
Gross MGS/GII supply in 2026						185,000	11,500	3,500	15,000	PROJECTED TOTAL ISSUANCE = RM185bn				

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