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OCBC Group Research

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Interest Rates Focus

Auction calendars: IndoGBs; MGS/MGII

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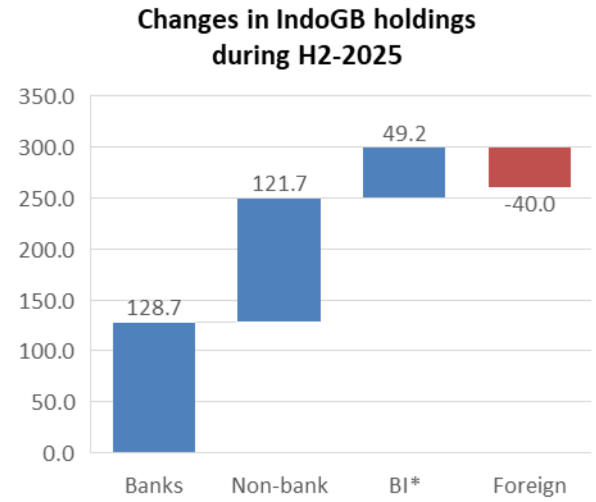
IndoGBs

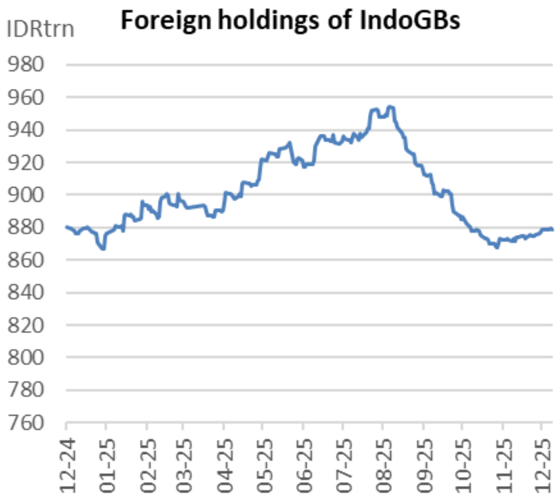
- **2026 issuance calendar with Q1 target has been released.** Q1 gross issuance target has been set at IDR220trn. The first auction of the year is held on 6 January (today), with indicative target of IDR33trn for the conventional bonds. With five conventional bond and five sukuk auctions in the first quarter (excluding the 31 March auction), the issuance target is consistent with individual auction size of IDR31-33trn for conventional bonds and of IDR11-13trn for sukuk. These auction sizes are roughly in line with our earlier expectation (IDR30-32trm and IDR12-14trn, respectively), based on 2026 deficit financing of IDR689trn. Some adjustments in the auction sizes for conventional bonds versus sukuk in following auctions cannot be ruled out depending on demand.

Months	Auction Dates	SPN			ON						SPNS			PBS						Quarterly Target IDRtrn
January	06-Jan-26	1M	3M	12M	5Y	10Y	15Y	20Y	30Y	40Y										220
	13-Jan-26										1M	6M	9M	2Y	4Y	7Y	13Y		25Y	
	20-Jan-26	1M	3M	12M	5Y	10Y	15Y	20Y	30Y	40Y										
	27-Jan-26										1M	6M	9M	2Y	4Y		13Y	17Y	25Y	
Total																				
February	03-Feb-26	1M	3M	12M	5Y	10Y	15Y	20Y	30Y	40Y										
	10-Feb-26										1M	6M	9M	2Y	4Y	7Y	13Y		25Y	
	18-Feb-26	1M	3M	12M	5Y	10Y	15Y	20Y	30Y	40Y										
	24-Feb-26										1M	6M	9M	2Y	4Y		13Y	17Y	25Y	
Total																				
March	03-Mar-26	1M	3M	12M	5Y	10Y	15Y	20Y	30Y	40Y										
	10-Mar-26										1M	6M	9M	2Y	4Y	7Y	13Y		25Y	
	31-Mar-26	1M	3M	12M	5Y	10Y	15Y	20Y	30Y	40Y										

Source: DJPPR, OCBC Group Research

- **Demand**. Domestic banks have been increasing holdings of government securities since mid-July 2025, being the key buyers together with non-bank domestic investors in H2-2025. While there were foreign outflows of IDR40trn during H2-2025, there has been a modest return of inflows since mid-November 2025. A sustained and strong comeback of foreign flows, however, may require some widening in IndoGB-UST yield differentials.





Source: Bloomberg, OCBC Group Research
*excluding holdings under monetary operation

- **IndoGB curve view**. IndoGBs outperformed USTs in the past month, as US yield rose while domestic yields fell; 5Y and 10Y IndoGB outperformed on the curve. We have an upward bias to 10Y yield and hence a steepening bias on the curve across the 2s5s and 2s10s segment. 10Y IndoGB-UST yield spread has narrowed to multi-year low, not appearing particularly attractive to foreign investors. Meanwhile, auction sizes are expected to be of bigger sizes compared to indicative targets in 2025, which may also support the steepening bias. At the short end, OCBC economists expect additional 50bps of policy rate cuts in this cycle, although the timing is uncertain. SRBI rates have eased somewhat of late, after having risen during the early part of December. On balance, 2Y yield is likely to stay relatively stable over the coming weeks.

MGS/MGII

- **2026 supply**. We expect 2026 gross MGS+MGII issuances at around MYR184-185bn, to cover 2026 budget deficits of MYR74.6bn and maturing amounts of MYR108.7bn, with a mild buffer for FX bond maturity or T-bills paydown. T-bills and FX bonds issuances (or paydown) are swing factors to our gross local currency bond supply estimates. T-bills paydown and a decision to roll over FX bonds with domestic bonds would mean upside to MGS/MGII supply.

- **Auction calendar**. The auction calendar has been released earlier in December. There are 18 MGS auctions and 19 MGII auctions in 2026. Assuming individual auction size (including private placement) mostly stays in the range of MYR4.5-5.5bn, then net issuances will be heaviest in Q2-2026 amounting to MYR40bn or more, as maturity is light in that quarter. Net issuances may be around zero or mildly negative in Q3-2026 when MYR51.8bn worth of MGS/MGII mature. The first auction of the year is the reopening of 5Y MGII, at a size of MYR5.0bn, on 7 January.

Months	Tenor	New / Reopen	MGS Type	Maturity bn
January	5Y	Reopen	MGII	
	30Y	New	MGII	
	15Y	New	MGS	
February	5Y	Reopen	MGS	
	20Y	Reopen	MGII	
	10Y	Reopen	MGS	
March	7Y	New	MGII	25.5
	3Y	New	MGS	
	15Y	Reopen	MGII	
April	20Y	New	MGS	8.4
	3.5Y	New	MGII	
	30Y	Reopen	MGS	
May	30Y	Reopen	MGII	
	7Y	Reopen	MGS	
	10Y	Reopen	MGII	
June	20Y	Reopen	MGII	
	5Y	Reopen	MGS	
	15Y	Reopen	MGII	
	3Y	Reopen	MGS	
July	15Y	Reopen	MGS	20
	3.5Y	Reopen	MGII	
	10Y	Reopen	MGS	
August	20Y	Reopen	MGS	
	7Y	Reopen	MGII	
	30Y	Reopen	MGS	
	5Y	Reopen	MGII	
September	30Y	Reopen	MGII	31.8
	7Y	Reopen	MGS	
	10Y	Reopen	MGII	
October	10Y	New	MGS	
	20Y	Reopen	MGII	
	15Y	Reopen	MGS	
	3.5Y	Reopen	MGII	
November	10Y	Reopen	MGII	23
	3Y	Reopen	MGS	
	15Y	Reopen	MGII	
December	30Y	Reopen	MGS	

Source: Bank Negara Malaysia, OCBC Group Research

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