

Cagamas concludes pricing of RM300 mln conventional commercial papers

KUALA LUMPUR: Cagamas Bhd, the national mortgage corporation, has announced the issuance of its three-month Conventional Commercial Papers (CCPs) amounting to RM300 million.

Cagamas said the CCPs would be issued from the company's existing RM20 billion Commercial Paper/Islamic Commercial Paper programme, where proceeds from the issuance would be used to fund the purchase of mortgage loans from the financial system.

President and chief executive officer Datuk Chung Chee Leong

said the CCPs represented the company's fourth issuance for the year, which brought the total issuance to RM1.0 billion year-to-date.

"As the onshore market continues to see sustained demand for local currency bonds across tenures, opportunities arise for the company to source competitive funding which enables the purchase of more housing loans," he said.

Chung said the CCPs were concluded via private placement and priced competitively at a spread of 38 basis points above

Malaysian Treasury Bills.

"The pricing of the CCPs matches the corresponding three-month onshore benchmark Kuala Lumpur Interbank Offered Rate, which was last referenced at 3.69 per cent," he added.

According to Cagamas, the papers, which would be redeemed at their full nominal value upon maturity, were unsecured obligations of the company, ranking pari passu among themselves and with all other existing unsecured obligations of the company. — Bernama