

Cagamas remains market choice for funding in times of high market volatility

KUALA LUMPUR: The National Mortgage Corporation of Malaysia, Cagamas Bhd (Cagamas) announced its RM350 million combined issuances comprising RM45 million 1-year Conventional Medium Term Notes (CMTNs), RM55 million 2-year CMTNs and RM250 million 3-month Conventional Commercial Papers (CCPs).

In a statement yesterday, Cagamas said the proceeds from the respective issuances will be used to fund purchases of mortgage loans from the

financial system.

It said the 1 and 2-year CMTNs were concluded at 3.25 per cent and 3.45 per cent respectively, 28 and 29 basis points (bps) above Malaysian Government Securities, whilst the CCPs were priced at 20 bps above the 3-month Kuala Lumpur Interbank Offered Rate rate or equivalent to 3.0 per cent on the pricing date.

President/Chief Executive Officer Datuk Chung Chee Leong said risk sentiments in the local bond market remain fragile after experiencing major market

turmoil recently while heavy market activities centred on the flight to liquidity triggered by the rapid spread of COVID-19 outbreak throughout the world coupled with potential global recession fears. "Cagamas will continue to fulfill its role as a financial intermediary by providing liquidity to the banking system which is in support of Bank Negara Malaysia's efforts in the recent announcement of measures to ensure sufficient liquidity in the system," he said.

— Bernama