

# Cagamas wraps up 2019 with bonds and sukuk issuance over RM10b

*The issuance comprises of 3 Islamic and conventional debt papers namely ICPs, CCPs and IMTNs*

by PRIYA VASU

CAGAMAS Bhd, the National Mortgage Corp of Malaysia issued RM10.2 billion worth of aggregate bonds and sukuk this year.

The issuance comprised of three Islamic and conventional debt papers — RM600 million Islamic Commercial Papers (ICPs), RM200 million Conventional Commercial Papers (CCPs), and RM400 million Islamic medium-term notes (IMTNs).

The proceeds from ICPs, CCPs and IMTNs issuances will be used to fund the purchases of mortgage loans and Islamic house financing from the domestic financial system.

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The issuance exercise which brings the aggregate issuances for the year to RM10.2b, marking the company’s 3rd consecutive year surpassing RM10b worth of issuances, says Chung

dent and CEO Datuk Chung Chee Leong said.

The six-month CCPs/ICPs was

competitively priced at 3.25%, 20 basis points (bps) above six-month Malaysia Treasury Bills and 17bps

above the Malaysian Islamic Treasury Bills.

The one-year IMTNs was com-

petitively priced at 3.29%, 26bps above the corresponding Malaysia Government Investment Issue.

“It has been an eventful year for both domestic and global markets. The company remains optimistic as it continues to fulfil its mandate as a financial intermediary between the capital market and the Malaysian housing sector,” he said.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company, ranking pari passu among themselves and with other existing unsecured obligations of the company.

They will be listed and tradable under the Scripless Securities Trading System.

According to Malaysia Rating Corp Bhd, Malaysia’s sukuk market remains the biggest in East Asia, where 61% of the total local currency bonds outstanding comprises of sukuk. The outstanding amount of Malaysia’s local currency bonds totalled RM1.49 trillion at the end of October 2019, a 7.1% year-on-year growth.