

Cagamas announces RM1.55bil notes issuance

PETALING JAYA: Cagamas Bhd, the National Mortgage Corp of Malaysia, has announced its RM1.55bil issuance comprising RM800mil three-year conventional medium-term notes (CMTNs) and RM750mil three-year Islamic medium-term notes (IMTNs).

Proceeds from the respective issuances will be used to fund the purchase of mortgage loans and Islamic home financing from the financial system.

"We are pleased with the conclusion of this 19th issuance exercise in 2018; a year which has thus far seen consistent monthly issuances up to October this year.

"Both the three-year CMTNs and IMTNs obtained aggressive bids and successfully secured a competitive weighted average price of 4.09%, representing a spread of 49 basis points against the corresponding three-year Malaysian Government Securities (MGS)," said its president and chief executive officer Datuk Chung Chee Leong in a statement.

He added that the aggregate RM1.55bil three-year tenured CMTNs and IMTNs were concluded through book-building exercises which drew participation from a diversified group of investors, including sovereign wealth funds, financial institutions, insurance companies, asset management companies as well as foreign asset managers.

"The conclusion of both transactions brings the company's year-to-date issuance to an aggregate RM12.3bil comprising RM4.8bil CMTNs, RM3.8bil IMTNs, combined RM3bil short-term conventional and Islamic commercial papers (CPs/ICPs) and RM650mil equivalent in foreign currency-denominated bonds," added Chung.