

Cagamas' issuance exceeds RM11bil

KUALA LUMPUR: Cagamas Bhd has announced its aggregate issuances of RM1.9bil equivalent debt papers, bringing the year-to-date issuance amount to RM11.2bil.

The RM1.9bil issuance comprised S\$130mil one-year Singapore dollar denominated fixed rate note (SGD EMTN), RM800mil one-year conventional medium term notes (CMTNs) and RM700mil six-month conventional commercial papers (CCPs).

It said proceeds from the issuances would be used to fund the purchase of housing loans from the financial system.

Cagamas president/CEO Datuk Chung Chee Leong was pleased with the successful conclusion of the Singapore-dollar EMTN and ringgit issuances which were concluded post-recent downgrade of Malaysia's sovereign rating by one of the international credit rating agencies, Fitch Ratings.

"Despite some initial knee-jerk reactions from the market arising from the rating announcement, the demand for Cagamas bonds remains resilient, underpinned by its strong credit fundamentals that led to the conclusion of the deal," he said.

Chung said the conclusion of the Singapore-dollar issuance at 0.85% via the company's subsidiary, Cagamas Global PLC, which carries an issue rating of A3 represented the company's re-entry into the Singapore-dollar market since October 2018 in addition to being Malaysia's first Singapore-dollar denominated issuance for 2020.

"The company has once again demonstrated its capability to provide competitive funding rates to onshore financial institutions in a challenging environment through combined issuances of foreign currency and ringgit denominated bonds," he said