

Cagamas kicks off 2021 with bonds, sukuk issuances worth RM710mil

KUALA LUMPUR: Cagamas Bhd has launched bonds and sukuk with aggregate issuances of RM710mil to fund the purchase of house financing, housing loans and industrial hire purchases from the financial system.

Its president and chief executive officer Datuk Chung Chee Leong said the issuances comprised RM300mil Islamic commercial papers (ICPs), RM300mil conventional commercial papers (CCPs), RM55mil one-year conventional medium term notes (CMTNs) and RM55mil three-year CMTNs.

"We are excited to start the year with the successful conclusion of transactions," said Leong.

"This is despite headwinds on multiple fronts, arising from the continued surge of Covid-19 cases which resulted in another movement control order and state of emergency declaration by the government, fueling a growing uncertainty on expectations of a strong domestic economic

recovery," he added.

He pointed out that these transactions had indicated continued confidence in Cagamas papers, supported by a strong and resilient domestic bond market.

Both ICPs and CCPs were competitively priced at the corresponding three-month KLIBOR minus two basis points (bps), or equivalent to 1.92% on KLIBOR fixing on the fixing date, representing 19 bps spread above the corresponding Malaysia Islamic Treasury Bills.

The CMTNs were priced at a spread of 37 bps and 52 bps above the corresponding Malaysian Government Securities.

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

They will be listed and tradeable under the Scripless Securities Trading System.
— Bernama