

Cagamas kicks off 2022 with RM300 million issuance of Islamic commercial papers

KUALA LUMPUR: Cagamas Bhd has kicked off 2022 with the issuance of RM300 million three-month Islamic commercial papers (ICPs), which were printed from its RM20 billion Islamic and conventional commercial paper (CCP) programme. In a statement yesterday, the national mortgage corporation said proceeds from the issuance would be used to fund the purchase of house financing from the domestic financial system.

President and chief executive officer Datuk Chung Chee

Leong said Cagamas started the year on a positive note with the successful issuance of the company's short-term papers.

He said this was done amid a hawkish tone in raising interest rates in the US in response to surging inflation, which is expected to keep the pressure on global fixed income markets, including Malaysia.

According to the statement, the CCPs were priced at the corresponding three-month Kuala Lumpur Interbank Offer Rate (KLIBOR) benchmark

based on KLIBOR fixing on the pricing date.

The spread was 23 basis points (bps) above the corresponding Malaysian Islamic Treasury Bills.

"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 other existing unsecured obligations of the company.

"They will be listed and tradable under the Scripless Securities Trading System," the said added. — Bernama