

# Cagamas eyes foreign currency debt issuance

**SINGAPORE** • Cagamas Bhd's move to establish a US\$2.5 billion (RM7.97 billion) medium-term note (MTN) programme this month suggests that it might soon be issuing foreign currency debt, said Moody's Investors Service.

In its report, "Cagamas: Answers to Frequently-Asked Questions", the rating agency said it viewed the MTN programme as credit-positive, as it would allow Cagamas to tap a larger pool of investors, in particular, investors preferring foreign currency denominated debt.

"Cagamas' policy role is to promote the broader spread of home ownership and the development of Malaysia's capital markets.

"It purchases mortgage portfolios from various counterparties, for example, domestic financial institutions, thereby providing liquidity for their long-term assets," it said.

Moody's added that Cagamas' standalone credit metrics were generally strong, as highlighted by its "baa1" baseline credit assessment.

According to Moody's, Cagamas' asset quality is was significantly stronger than the average for Malaysian banks.

— *Bernama*