

Cagamas prices latest sukuk issue to raise RM395m

PETALING JAYA: National mortgage corporation Cagamas Bhd has priced its latest issuance of one-, two- and three-year Cagamas Sukuk Commodity Murabahah to raise RM395 million.

In a statement yesterday, Cagamas said the proceeds from the issuance will be used to fund the purchase of Islamic financing from the financial system.

"Notably, the price guidance for the order book was deliberately quoted based on spread over the corresponding Government Securities to promote credit spread pricing culture for Private Debt Securities. The pricing convention which is widely accepted as best practice in developed markets will contribute positively to the maturity and sophistication of the domestic bond market," said its president and CEO Chung Chee Leong.

"Investors were very supportive of the pricing initiative as the order book recorded bid-to-cover ratio of more than 2 times and competitively priced with weighted average spread of 37 basis points and 50 basis points above the corresponding Government Investment Issues (GII) and Malaysian Government Securities (MGS) respectively," he added.

The IMTN, which will be redeemed at their full nominal value on maturity, are unsecured obligations of the company, ranking pari passu among themselves and with all other existing unsecured obligations of the company.

They will be listed and tradable under the Scripless Securities Trading System.