

Cagamas advances into international sukuk market

KUALA LUMPUR: National mortgage corporation, Cagamas Bhd, has entered the international sukuk market with its maiden Singapore dollar-denominated Sukuk Exchangeable Medium-Term Notes (EMTN) issuance under Cagamas US\$2.5 billion Multi-currency Sukuk Programme.

In a statement, the company said the S\$162.75 million one-year sukuk was issued through its wholly-owned unit, Cagamas Global Sukuk Bhd, and would be fully and unconditionally guaranteed by Cagamas.

"As a frequent issuer, Cagamas continues to monitor the comparative funding cost and distribution advantage in the international market against our domestic bond issues.

"The company's debut conventional EMTN issuance in the Singapore dollar bond market in July 2015 has generated greater interest from a number of investors that led to the conclusion of the deal," said its president/chief executive officer, Chung Chee Leong.

He said the Islamic principle used for the sukuk was based on the syariah principle of Wakala, a structure which was widely acceptable among international sukuk investors.

"We acknowledge the increasingly challenging market environment and to this end, the company continues to assess market dynamics and identify changes in trends through proactive engagement with investors and market participants," he said. — Bernama