

Cagamas eyeing RM11 bln bond and sukuk issue this year

KUALA LUMPUR: National mortgage corporation of Malaysia, Cagamas Bhd, is eyeing to issue a mixture of RM11 billion worth of bonds and sukuk this year compared with RM5.7 billion last year.

Chief Executive Officer Datuk Chung Chee Leong said the higher projection was due to expectation of better demand from banks for the company's bond and sukuk to comply with the stringent Basel III requirements.

"One of the options (for banks) is to look at Cagamas in terms of providing them capital

management, as well as, liquidity management solution," he told reporters during a briefing on the capital market here yesterday.

As of last month, Cagamas already issued RM4.2 billion in bonds and RM1.2 billion in sukuk.

He said the global economic condition was also more conducive for the local capital market this year compared with last year.

"In 2016, we had Brexit and the election in the United States which had ripple effects added to the volatility in the local market," Chung said. — Bernama