

Cagamas concludes RM1.1b issuance of debt notes

KUALA LUMPUR: Cagamas Bhd has concluded its RM1.10 billion combined issuance of multi-tenured bonds and notes to fund the purchase of mortgage loans from the financial system.

The national mortgage corporation of Malaysia said the issuance comprised RM50 million two-year Conventional Medium-Term Notes (CMTN), RM550 million three-year CMTN and RM500 million three-month Conventional Commercial Papers (CCPs).

In a statement on Friday, President and Chief Executive Officer Datuk Chung Chee Leong said both the two-year and three-year CMTNs secured competitive pricing of 3.95 per cent and 4.05 per cent respectively, which represented a spread of 50 and 55 basis points respectively against the corresponding Malaysian Government Securities.

"The RM50 million two-year tenured CMTN was concluded via private placement, whereas the RM550 million three-year tenured CMTN was concluded through a book building exercise.

"The order book received interest from a diverse group of investors including financial institutions, insurance companies,

pension funds, asset management companies and corporations, as well as globally renowned foreign asset managers," he said.

Chung said with the heightened volatility in rates domestically and globally, high grade shorter tenured investment instruments continued to be in demand.

Meanwhile, he said the RM500 million three-month CCP was successfully concluded via private placement and priced competitively at five basis points below the corresponding three-month KLIBOR benchmark rate.

"It received a subscription rate of 60 per cent by foreign investors for the company's local currency commercial papers," he said.

Cagamas said the papers, which would be redeemed at their full nominal value upon 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," it added. - Bernama