

# Cagamas announces RM417m dual-currency issuance

BY SULHI AZMAN

KUALA LUMPUR: Cagamas Bhd yesterday announced an RM417 million dual-currency issuance, which brings the national mortgage corporation's aggregate issuance for the year to RM3.4 billion.

The issuance includes an aggregate RM100 million one-year and 1.5-year conventional medium term notes (CMTN) issued under Cagamas' existing RM40 billion Medium Term Note Programme.

"The secondary liquidity of Cagamas bonds and sukuk surpassed RM3 billion for 2017 in the domestic market, which evidenced continued demand for the company's local currency bonds and sukuk, thus contributing to the conclusion of the company's ringgit issuance comprising RM70 million one-year and RM30 million 1.5-year CMTN," said Cagamas chief executive officer Datuk Chung Chee Leong in a statement.

Chung added that the one-year issuance was "competitively priced" at 3.8%, and the 1.5-year issuance at 3.9%, representing 47 basis points (bps) and 51bps over corresponding Malaysian Government Securities respectively.

The second component of the dual-currency issuance consists of a one-

year Singapore dollar medium term note issuance of S\$100 million (RM315.8 million) through Cagamas' wholly-owned subsidiary Cagamas Global plc.

"In the international space, continuous proactive engagement with foreign investors resulted in the successful Singapore dollar issuance, which was competitively priced at 1.64%, representing 35bps above the corresponding Singapore Offer Rate curve.

"The Singapore dollar-denominated issuance marks the company's second foreign currency issuance for the year through Cagamas' US\$5 billion (RM22.15 billion) Multicurrency Medium Term Note Programme," said Chung, adding that the issuance signifies continuous demand for the company's bonds and sukuk in the region.

Cagamas said the latest RM417 billion worth of debt papers will be redeemed at their full nominal value on maturity, and are unsecured obligations of the company.

Cagamas is the second-largest issuer of debt instruments after the government. It is also the largest issuer of AAA-rated corporate bonds and sukuk in the market.

Established in 1986 to promote a broader spread of house ownership and growth of the secondary mortgage market in Malaysia, Cagamas said it had issued RM289.9 billion worth of corporate bonds and sukuk.