

# Cagamas targets RM11b issuance for 2017

BY SYAHIRAH SYED JAAFAR

KUALA LUMPUR: National mortgage corporation Cagamas Bhd is eyeing to issue a mixture of RM11 billion worth of bonds and sukuk this year.

According to chief executive officer Datuk Chung Chee Leong, the company had so far issued an aggregate issuance of RM5.6 billion as of April 30, representing more than 50% of the targeted issuance for the year.

Chung said the issuance will cover a mixture of conventional and sukuk bonds on a 70%-30% ratio respectively.

"The ratio will depend on the needs of financial institutions. If Islamic banks sell us more loans or housing loans, we will issue more sukuk. It depends on the banks selling us the assets," he told reporters in a briefing on the capital market yesterday.

Meanwhile, *Bernama* reported that the projected issuance for the year was due to expectations of better demand

from banks for the company's bonds and sukuk to comply with the stringent Basel III requirements.

The news agency also quoted Chung as saying the global economic condition is also more conducive for the local capital market this year compared with last year.

Chung also said the company has no target ratio between ringgit- and non-ringgit-denominated issuances as it would depend on which currency provides the cheapest option at the time of the exercise.

Meanwhile, on the development of the capital market, he reportedly said more awareness and educational programmes need to be carried out in Malaysia to create awareness among retail investors of the bond market's benefits.

He added that in Asean, Thailand surpassed Malaysia in terms of bond issuance for two consecutive years since 2015 as the country had more retail participation which made the bond market more vibrant.