

# Cagamas announces issuance surpassing initial size

KUALA LUMPUR: Cagamas Bhd announced yesterday the issuance of RM1.5 billion in bonds and notes, in multiple tranches for tenures ranging between three months and 20 years.

The issuances, comprising both conventional and Islamic debts, or sukuk, exceeded the initial issuance size of RM1 billion due to strong demand from investors.

The state-backed mortgage lender said in a statement the proceeds would be used to fund the purchases of mortgage loans and Islamic house financing.

Mounting expectations of a rise

in US interest rates have resulted in higher yields for Malaysian Government Securities, said chief executive officer Chung Chee Leong in the statement.

He said the mortgage lender had decided to press ahead with the issuances regardless of a difficult market environment. "Notwithstanding the challenges, we believe in the strong domestic liquidity positions and continued support from domestic investors for local-currency corporate issuances. Hence, we decided to open the order book on Nov 13," he said.

— Reuters