

Cagamas issues RM350m worth of CCPs

by **S BIRRUNTHA**

NATIONAL mortgage corporation Cagamas Bhd has announced the issuance of its three-month conventional commercial papers (CCPs) amounting to RM350 million.

In a statement, Cagamas said proceeds from the issuance will be used to fund the purchase of mortgages from the financial system.

The company also stated that the CCP, which represents the company's fifth issuance for the year, will be issued from its existing RM20 billion conventional and Islamic commercial paper programme.

Cagamas CEO Datuk Chung Chee Leong said with the current risk-off sentiment arising from continued global geopolitical uncertainty and increased expectations of a cut in the US Federal Reserve funds rate, the issuance was strategically concluded via private placement.

"It achieved a competitive pricing of three basis points below the corresponding benchmark three-month KLIBOR (Kuala Lumpur Interbank Offered Rate).

"We are pleased to see that the company's short-term issuances continue to be highly sought after as demand for local currency fixed income instruments remains robust within the domestic capital market," he added.

Chung said the conclusion of this issuance brings the company's total year-to-date issuance to RM2.8 billion.

According to Cagamas, the papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company.