

Cagamas eyeing to issue RM11bil in bonds and sukuk

KUALA LUMPUR: National mortgage corporation of Malaysia, Cagamas Bhd, is eyeing to issue a mixture of RM11bil worth of bonds and sukuk this year compared with RM5.7bil last year.

Chief executive officer Datuk Chung Chee Leong said the higher projection was due to expectation of better demand from banks for the company's bond and sukuk to comply with the stringent Basel III requirements.

"One of the option (for banks) is to look at Cagamas in terms of provid-

ing them capital management, as well as, liquidity management solution," he told reporters during a briefing on the capital market here yesterday.

As of last month, Cagamas already issued RM4.2bil in bonds and RM1.2bil in sukuk.

He said the global economic condition was also more conducive for the local capital market this year compared with last year.

"In 2016, we had Brexit and the election in the US which had ripple effects added to the volatility in the

local market," Chung said.

He said in terms of the proportion between bond and sukuk, the company planned to issue 70% bonds and 30% sukuk.

"But, the actual ratio depends on the needs of the financial institutions," he said.

Chung added that the company also did not set any target ratio between ringgit and non-ringgit denomination issuance as it would depend on which currency provided the cheapest option at the time of the exercise. - Bernama