

Cagamas completes issuance of RM1b bonds in 3 currencies

KUALA LUMPUR: Cagamas Bhd has concluded an aggregate bond issuance of RM1 billion equivalent comprising S\$130 million one-year fixed rate medium term notes (MTNs), HK\$800 million one-year MTNs and RM175 million one-year conventional medium term notes (CMTNs).

The national mortgage corporation said proceeds from the issuances would fund the purchase

of housing loans from the financial system.

Cagamas president and chief executive officer Datuk Chung Chee Leong said it was pleased with the successful conclusion of the bond issuances amid market volatility due to the rising United States Treasury yields, which triggered a rout in bond markets globally.

"Despite the headwinds, Caga-

mas successfully secured funding from three different markets to meet its funding needs, signalling continued strong demand for the company's foreign currency and domestic debt securities," he said in a statement yesterday.

The S\$ MTNs and HK\$ MTNs were concluded at one per cent and 0.85 per cent per annum, respectively, while the issuance of

the CMTNs was competitively priced at 2.2 per cent — a spread of 37 basis points above the corresponding Malaysian Government Securities.

The S\$ MTNs and HK\$ MTNs were issued by the company's subsidiary Cagamas Global PLC, which carries an A3 issue rating.

"The S\$ MTNs and HK\$ MTNs represent the company's first dual foreign currency issuances

for this year, underlining its capability to provide competitive funding to onshore financial institutions through combined issuances of foreign currency and ringgit-denominated bonds," said Chung.

The transaction marks Cagamas' fifth issuance exercise for the year and brings the year-to-date issuance amount to RM2.65 billion.