

Cagamas concludes RM1bil bond issuance

PETALING JAYA: Cagamas Bhd has announced the successful conclusion of its aggregate issuance of RM1bil bonds, of which proceeds will be used to fund the purchase of housing loans from the financial system.

The issuances comprise S\$130mil (RM397mil) one-year Singapore dollar denominated fixed rate medium-term notes (SGD EMTNs), HK\$800mil one-year Hong Kong dollar denominated fixed rate MTMs (HKD EMTNs) and RM175mil one-year conventional MTMs (CMTNs).

In a statement, the national mortgage corporation said the SGD EMTNs and HKD EMTNs were concluded at 1.00% and 0.85% per annum respectively, while the issuance of the CMTNs was competitively priced at 2.20% – a spread of 37 basis point (bps) above the corresponding Malaysian Government Securities.

The SGD EMTNs and HKD EMTNs were issued by the corporation's subsidiary, Cagamas Global PLC, and carries an issue rating of A3.

President and chief executive officer Datuk Chung Chee Leong said Cagamas was pleased with the successful conclusion of the SGD EMTNs, HKD EMTNs and CMTNs issuances, amid market volatility due to the rising US Treasury yields which triggered a rout in bond markets globally.

“Domestic bond markets were not spared from the knee-jerk reaction. Despite the headwinds, Cagamas 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.

The SGD EMTNs and HKD EMTNs represented the company's first dual foreign currency issuances for 2021, underlining its capability to provide competitive funding to onshore financial institutions through combined issuances of foreign currency and ringgit-denominated bonds, he added. — Bernama