

Cagamas issues RM1.045b worth of bonds

KUALA LUMPUR (May 18): Cagamas Bhd announced today an issuance of RM1.045 billion worth of bonds comprising conventional and Islamic-compliant securities to raise money to fund the purchase of housing loans from the financial system. In a statement, Cagamas said the issuance comprises RM345 million three-month Islamic Commercial Papers (ICPs), RM300 million three-month Conventional Commercial Papers (CCPs) and RM400 million three-year Islamic Medium Term Notes (IMTNs). "We are encouraged by the strong support as evidenced by the overwhelming response with a final overall book-to-cover ratio of 2.26 times, allowing the company to tighten its IMTN yield from an initial price guidance of 2.85% to 2.78%, and registering a 42 basis point (bp) spread against the Malaysian Government Investment Issue," said Cagamas president and chief executive officer (CEO) Datuk Chung Chee Leong. "The ICPs and CCPs were priced at the corresponding three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) plus 5bps, equivalent to 1.99% based on KLIBOR fixing on the pricing date. The spread was 19bps above the corresponding Malaysian Islamic Treasury Bills/Malaysian Treasury Bills," Chung added. The new issuance raises Cagamas' aggregate issuance for the year to RM4.4 billion. – by *Tristan Dielenberg/theedgemarkets.com*