

Cagamas concludes pricing of Islamic commercial papers

KUALA LUMPUR: Cagamas Bhd has concluded its first issuance for the fourth quarter of this year comprising RM300 million three-month Islamic commercial papers (ICPs).

The national mortgage corporation said the ICPs were priced at the corresponding three-month Kuala Lumpur Interbank Offered Rate (Klibor) plus five basis points (bps), or equivalent to 1.99 per cent based on Klibor fixing on the pricing date.

The spread was 23 bps above the corresponding Malaysia Islamic Treasury Bills, president and chief executive officer Datuk Chung Chee Leong in a statement.

"We are pleased with the conclusion of Cagamas' latest issuance which saw continued buying interest of our short-term papers, despite the global and local fixed income markets

We are pleased with the conclusion of Cagamas' latest issuance which saw continued buying interest of our short-term papers, despite the global and local fixed income markets coming under pressure from the growing expectations of the asset-tapering announcement by the US Federal Reserve at its November meeting.

Datuk Chung Chee Leong

coming under pressure from the growing expectations of the asset-tapering announcement by the US Federal Reserve at its November meeting," he said.

The issuance brings the company's aggregate issuances for the year to RM12.25 billion. Proceeds from the issuance will be used to purchase Islamic home financing from the financial system.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company, ranking pari passu and with all other existing unsecured obligations of the company.

They will be listed and tradable under the Scripless Securities Trading System.
— Bernama