

Cagamas issues HK\$1 billion notes

PETALING JAYA: Cagamas Bhd has issued Hong Kong dollar medium-term notes amounting to HK\$1 billion (RM424 million) through its wholly-owned subsidiary, Cagamas Global PLC.

In a statement released yesterday, the national mortgage corporation said the issuance, which has a maturity of 3.5 years, marked the second foreign currency issuance for the year, under Cagamas' US\$ 2.5 billion (RM8.2 billion) conventional multi-currency medium term note (EMTN) programme.

"With the multi-currency funding programme in place, we have been conducting regular assessments on the comparative advantages between foreign currency and domestic bond issuances to achieve competitive funding cost and meet market demands, especially from regional investors. This has spurred the inaugural Hong Kong dollar EMTN issue," said its president and CEO Chung Chee Leong.

Meanwhile, at home, Cagamas concluded the pricing of multiple ringgit issuances, comprising RM1 billion sukuk and RM1.06 billion conventional medium-term notes (MTN) issued under Cagamas' existing RM40 billion IMTN/MTN programme.

"The ringgit multiple issuances were competitively priced at 41 and 47 basis points above the corresponding one-year and three-year Malaysian government securities. Notably, both the benchmark size foreign currency and multiple ringgit issuances were concluded in the same week," Chung noted.

The new issuances will bring Cagamas' total issuances for the year to RM4.9 billion, proceeds of which will be used to fund the purchase of Islamic and conventional financing from the financial system.