

Cagamas' debut US dollar debt note issues

by FARAH ADILLA

CAGAMAS Bhd's first US dollar issuance of senior uncured note has generated an overwhelming interest, drawing a strong orderbook of more than US\$2.4 billion (RM8.16 billion), a commendable outcome of bid to cover ratio of close to five times.

In a statement yesterday, Cagamas said competitively priced at 115 basis points over the five-year US Treasury bonds, the participation was widely distributed with 65%

from Asia, 20% from Europe and the remaining 15% from offshore the US, garnering interest from Bahrain, United Arab Emirates, Qatar, Luxembourg, Germany, Monaco and the Netherlands.

Upon allocation, the total orderbook was made up of fund managers (63%), banks (21%), sovereign (9%), insurance companies (5%) and private banks (2%), it said.

"Our maiden US dollar issuance will clearly establish Cagamas' position in the international bond market as a

new US dollar benchmark for Malaysian issuers and significantly increase opportunities for other Malaysian issuers to tap liquidity in the offshore market.

"Strong interest from diverse market segments, which included top global money managers and sovereign wealth funds across regions, underscores the international investors' confidence in Malaysian corporate investment grade issues that offer strong value proposition for international investors to achieve

greater diversification in their credit portfolio," Cagamas president/CEO Chung Chee Leong said.

Yesterday, Cagamas, through its wholly owned subsidiary, Cagamas Global plc, had successfully priced its inaugural benchmark US\$500 million senior unsecured note.

Cagamas said the note was issued through the company's newly established US\$2.5 billion conventional multicurrency medium term note programme which gives Cagamas Global plc the ability to issue

bonds under a host of international currencies.

"Proceeds from the issuance, which have a five-year maturity, will be used for working capital and general corporate purposes," it said.

The issuance will be fully and unconditionally guaranteed by Cagamas. The issuer's principal activity is to carry on the business of a fundraising vehicle.

The notes carry an issue rating of A3 by Moody's, on par with the rating for the programme of (P)A3, it said.