

Cagamas issues RM1.7bil maiden US-dollar bond

KUALA LUMPUR: Cagamas Bhd's wholly owned subsidiary, Cagamas Global PLC, has successfully priced its inaugural benchmark US\$500mil (RM1.72bil) senior unsecured note.

The note was issued through the company's newly established US\$2.5bil conventional multicurrency medium term note programme, which gives Cagamas Global the ability to issue bonds under a host of international currencies. It said the proceeds from the issuance, which has a five-year maturity period, would be used for working capital and general corporate purposes.

"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," president/chief executive officer Chung Chee Leong said in a statement yesterday.

Cagamas said competitively priced at 115 basis points over the five-year US Treasury bonds, the company's first US-dollar issuance generated overwhelming interest, drawing a strong orderbook of more than US\$2.4bil, a commendable outcome of bid to cover a ratio of close to five times.

It added that the participation was widely distributed, with 65% from Asia, 20% from Europe and the remaining 15% from offshore United States, garnering interest from Bahrain, the 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%).

"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," Chung said. CIMB, HSBC, RHB and Standard Chartered Bank acted as joint lead managers and joint bookrunners for this transaction.