

Cagamas issues 3-month CCP

KUALA LUMPUR: National mortgage corporation, Cagamas Bhd, has issued three-month Conventional Commercial Papers (CCP) worth RM300 million, with the proceeds to be used to fund the purchase of mortgages from the financial system.

In a statement on Wednesday, President and Chief Executive Officer Datuk Chung Chee Leong said the CCP marked the company's 13th issuance exercise for the year, bringing the total year-to-date to RM8 billion.

"Approximately 28 per cent of the company's issuances have originated from the existing RM20 billion local currency Conventional and Islamic Commercial Papers Programme," he added.

Chung said the CCP was issued via private placement and priced competitively at a flat spread against the domestic three-month Kuala Lumpur Interbank Offered Rate (Klibor) benchmark rate.

"This also represented a spread of 41 basis points above the corresponding Malaysian Treasury Bills," he said.

According to Chung, Cagamas has continued to supply short term, high grade investment instruments every month since February 2018 within the domestic market, which served as an alternative investment option for ringgit investors.

"We will continue to explore the issuance of short term notes as demand for it remains sturdy," he said.

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

The papers will be listed and tradable under the Scripless Securities Trading System. - Bernama