

Cagamas announces RM305m ICPs

KUALA LUMPUR: The national mortgage corporation, Cagamas Bhd, has announced the issuance of its three-month Islamic Commercial Papers (ICPs) amounting to RM305 million. In a statement on Friday, Cagamas said the ICP will be issued under the Commodity Murabahah structure where proceeds from the issuance will be used to fund the purchase of Islamic home financing from the financial system.

President/Chief Executive Officer Datuk Chung Chee Leong said Malaysia's 2018 Gross Domestic Product (GDP) announced last week showed a steady growth of 4.7 per cent despite a challenging market environment in the past year.

"Stronger buying momentum from investors in the domestic bond market was seen as evidenced by the recent auction of Malaysian Government Securities with a bid-to-cover ratio of close to 2.6 times.

"As a result, there was a spill-over effect in the corporate bond segment which contributed to the company's successful pricing of its three-month ICP," he said.

Chung said the ICP received overwhelming interest from financial institutions and was concluded via private placement.

He said with an improvement in yields within the onshore market coupled with the strengthening of the ringgit against the US dollar, the ICP was competitively priced on par against the onshore benchmark three-month Klibor rate, which currently stands at 3.69 per cent. 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 other existing unsecured obligations of the company, he added. - Bernama