

Cagamas issues RM450 mln issuance comprises CMTNs and CCPs

KUALA LUMPUR: Cagamas Bhd, the national mortgage corporation of Malaysia has announced its RM450 million issuance comprising RM300 million two-year Conventional Medium Term Notes (CMTNs) and RM150 million three-month Conventional Commercial Papers (CCPs).

In a statement Friday, it said proceeds from the respective issuances will be used to fund the purchase of mortgage loans from the financial system.

President and chief executive officer, Datuk Chung Chee Leong said the pricing of the bonds was concluded at a time of highly volatile global financial markets arising from the plunge in oil prices and the threat of COVID-19 pandemic.

"There is a risk-off and cautious sentiment in the market as evidenced by the broad-based selling activities in both global equity and fixed income markets including Malaysia. This is definitely a

challenging time for the local and global economy.

"In this unprecedented period, Cagamas continues to play its role as a liquidity provider to the financial system with the successful conclusion of CMTNs and CCPs via a private placement exercise," he said.

Cagamas said the CMTNs were concluded and priced at 3.03 per cent, 33 basis points (bps) above the Malaysian Government Securities whilst the CCPs were priced at 5.0 bps above the three-month KLIBOR rate or equivalent to 2.83 per cent on the pricing date.

"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.

"They will be listed and tradable under the Scripless Securities Trading System," it added. —Bernama