

Cagamas issues RM800m CMTN, RM25m IMTN

KUALA LUMPUR: Cagamas Bhd yesterday announced the issuance of RM800 million conventional medium term notes (CMTN) and RM25 million Islamic medium term notes (IMTN).

In a statement, the national mortgage corporation said proceeds from the issuance would be used to fund the purchase of mortgage loans and Islamic house financing from the financial system.

President/Chief Executive Officer Datuk Chung Chee Leong said the RM800 million one-year CMTN issued was concluded via reopening of an existing bond tranche which marked the company's second reopening exercise for the year.

He said the overwhelming response for the issuances enabled the company to upsize the initial

reopening amount from RM500 million to a final RM800 million for the CMTN and enabled it to tighten the pricing by two basis points (bps) to a final yield of 3.95 per cent.

"This represented a spread of 56 bps above the corresponding one-year Malaysian Government Securities.

"The RM25 million one-year IMTN was also competitively priced at 3.95 per cent and concluded via private placement," he added.

The CMTN and IMTN were Cagamas' 16th issuance exercise for the year, bringing the aggregate primary issuance total to RM9.3 billion for January-August 2018 period, marking a 24 per cent increase in the company's primary supply as compared with RM7.5 billion in the same period in 2017.

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