

Cagamas issues RM580 mln 3-year CMTN

KUALA LUMPUR: Cagamas Bhd, the national mortgage corporation, yesterday announced the issuance of its three-year Conventional Medium Term Notes (CMTN) amounting to RM580 million.

In a statement, Chief Executive Officer Chung Chee Leong said the proceeds from the issuance will be used to fund the purchase of housing loans from the financial system.

"Despite other competing issuances tapping the market on the same day, a lower supply of short-dated high-grade credit in the domestic space spurred investors' demand from diverse market segments to participate in the company's issuance.

"The issuance was successfully priced at a final yield of 3.75 per cent, representing 13 basis points over the 12-month Kuala Lumpur Interbank Offered Rate (KLIBOR)," he said.

Chung said the issuance managed to attract a well-diversified investor base and foreign accounts consisting of sovereign wealth funds, pension funds, financial institutions, insurance groups and asset management companies, including both new domestic and foreign accounts.

Year-to-date, Cagamas has successfully issued a total of RM6.9 billion in the primary market consisting of RM5.5 billion in domestic currency and RM1.4 billion equivalent in foreign currencies. - Bernama