

Cagamas issues 3-month conventional commercial papers

KUALA LUMPUR: National mortgage corporation Cagamas Bhd has issued three-month conventional commercial papers (CCP) amounting to RM300 million.

President and chief executive officer Datuk Chung Chee Leong said the proceeds from the issuance would be used to fund purchase of mortgages from the financial system.

He said the deal marked the company's 13th issuance exercise for the year and brought its total issuance year-to-date to RM8 billion.

About 28 per cent of Cagamas' issuances had originated from the existing RM20 billion local currency CP/ICP (conventional and Islamic commercial paper) programme, he added.

"The CCP was issued via private placement and priced competitively at a flat spread against the domestic three-month bench-

mark Klibor rate, which represented a spread of 41 basis points above the corresponding Malaysian Treasury Bills.

"Cagamas has continued to supply short-term, high-grade investment instruments every month since February this year within the local market which serves as an alternative investment option for ringgit investors," said Chung.

The company would continue to explore the issuance of short-term notes as demand for the notes remain sturdy, he added.

The papers, which will be redeemed at full nominal value upon maturity, are unsecured obligations of Cagamas, 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.