

Cagamas issues RM1b first dual tranche sukuk reopening

KUALA LUMPUR: Cagamas Bhd has initiated the company's and Malaysia's first dual tranche sukuk reopening, involving RM1 billion Cagamas Islamic medium-term notes over a three-year period.

The new issuance will bring the national mortgage company's aggregate issuance for the year to RM8.5 billion.

Cagamas, in a statement yes-

terday, said this was the company's 14th issuance for the year.

Proceeds from the issuance would be used to fund the purchase of Islamic house financing from the financial system, it added.

"Despite being only a half-day offering, the order book received overwhelming response which allowed the company to

successfully tighten its yield to 3.98 per cent and upsize the issuance from an initial size of RM800 million to RM1 billion.

This demonstrates the strength and resilience of the domestic market.

"The final yield was competitively priced at a spread of 50 basis points, over the three-year government investment issue," said Cagamas chief executive of-

ficer Datuk Chung Chee Leong.

He said the successful conclusion of this dual tranche reopening signifies the national mortgage corporation's continued innovation within the local fixed-income market and on-going strategic initiatives to promote secondary liquidity.

He said as at September 8, Cagamas' secondary trading volume stood at more than

RM5 billion.

Chung said subscription from foreign-based investors, which represented six per cent of the total issue size, indicates continued confidence in the company's name amidst a volatile market backdrop.

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