

LIQUIDITY PROVIDER

# CAGAMAS ISSUES RM450M BONDS

National mortgage corporation says fund will be used to purchase loans from financial system

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**C**AGAMAS Bhd has conducted RM450 million in issuances to fund the purchase of mortgage loans from the financial system.

The national mortgage corporation said yesterday the is-

suances comprised RM300 million in two-year conventional medium term notes (CMTNs) and RM150 million in three-month conventional commercial papers (CCPs).

Cagamas 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 threat of the Covid-19 pandemic.

He said there was a risk-off and cautious sentiment in the market, as evidenced by the broad-based selling activities in global equity and fixed income markets, including in Malaysia.

"This is a challenging time for the local and global economy."

Meanwhile, Cagamas has continued to play its role as a liq-

uidity provider to the financial system with the successful conclusion of the CMTNs and CCPs via a private placement exercise.

The CMTNs were priced at 3.03 per cent, 33 basis points above the Malaysian Government Securities, while the CCPs were priced at five bps above the three-month Kuala Lumpur Interbank Offered Rate, or equivalent to 2.83 per

cent on their 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 other existing unsecured obligations of the company.

They will be listed and tradable under the Scripless Securities Trading System.