

Cagamas announces combined issuance worth RM1.8 bln

KUALA LUMPUR: Cagamas Bhd has announced the combined issuance of its Islamic Medium Term Notes (IMTN) and Islamic Commercial Papers (ICP) totalling RM1.8 billion, bringing its year to-date total issuance to RM6.34 billion.

The issuances under the Islamic Commodity Murabahah structure comprised five-year IMTN worth RM1.5 billion and three-month ICP worth RM305 million, and the proceeds would be used to fund the purchase of Islamic financing from the financial system, it said in statement yesterday.

"The IMTN, which was concluded via public offering, received a commendable subscription rate that would enable the company to tighten its pricing by five basis points from the high of the initial price guidance of 4.55 per cent to 4.50 per cent," said President/Chief Executive Officer, Datuk Chung Chee Leong.

He pointed out that the competitive final funding rate, which represented 55 basis points above the corresponding five-year Malaysian Government Investment Issue (MGII), also contributed to the company's ability in upsizing the IMTN issuance from an initial RM1 billion to RM1.5 billion.

Cagamas' order book was well diversified, with participation from a varied pool of investors, including sovereign wealth funds, pension funds, new financial institutions, asset managers and insurance corporations, said Chung.

"With continued demand by investors in the company's short-term ringgit denominated papers, the RM305 million three-month ICP was competitively priced at 3.69 per cent, on par with the existing three-month KLIBOR benchmark rate," he said.

Cagamas said the papers would be listed and tradable under the Scripless Securities Trading System.

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