

Cagamas issues RM2.3b debt notes

BY SYAHIRAH SYED JAAFAR

KUALA LUMPUR: Cagamas Bhd has issued RM2.3 billion worth of six-month commercial papers (CP) and conventional medium-term notes (CMTN) of one-, three- and five-year tenures.

The multiple issuances bring the year-to-date (YTD) issuances amount to an aggregate RM15 billion, surpassing the total 2016 issuances by 103%, it added.

Cagamas chief executive officer Datuk Chung Chee Leong said the net increase in total outstanding of RM5 billion has increased the total Cagamas papers outstanding in the market to more than RM30 billion.

“With heightened uncertainty in rates

for the medium to longer term, there was a spike in interest for short-term bonds and sukuk, with a total of 38% of secondary trades concluded within the last month focused on bonds and sukuk with maturities of one year or less which led to tightening in yield of an average 20 basis points month-on-month for outstanding government bonds and sukuk with maturities of one year,” he said in a statement yesterday.

The national mortgage corporation said proceeds from the latest issuances will be used to fund the purchase of mortgage loans from the financial system. The new issuances comprise RM700 million of six-month CP and CMTN amounting to RM1.6 billion.