

# Cagamas issues RM410m bonds

BY TAN XUE YING

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KUALA LUMPUR: Cagamas Bhd is issuing RM410 million worth of conventional and Islamic bonds to raise funds, which will be used to fund its purchase of mortgage loans and Islamic house financing from the financial system.

In a press release yesterday, Cagamas said its one-year RM410 million scheme comprises RM180 million worth of conventional medium term notes (MTN) and RM230 million Islamic MTN.

"Overwhelming response received from investors for the issuance has enabled the company to obtain a very competitive pricing with subscriptions received from various market segments including foreign investors," Cagamas chief executive

officer Datuk Chung Chee Leong said in the statement.

He also said foreign investors' continued participation in the issuances signify their confidence and acceptance of the local ringgit-denominated issuances, and of Cagamas' papers in particular.

"We are also pleased that the company's proactive engagements with foreign investors and continuous initiatives to promote secondary market trading of Cagamas papers have been successful," Chung added.

According to Cagamas, renewed interest among foreign fixed income investors was due to Bank Negara Malaysia's measures to improve liquidity and trading activity in both the foreign exchange and bond markets as well as to strengthen the financial market's infrastructure.