

# Cagamas concludes RM350m bond issuance

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KUALA LUMPUR: Cagamas Bhd, the national mortgage corporation, has raised RM350 million by issuing two-year conventional medium term notes, which will be used to fund the purchase of housing loans from the financial system.

Cagamas chief executive officer Chung Chee Leong said the notes were successfully concluded

at a competitive yield of 3.42%, representing a spread of 10 basis points over the two-year interest rate swap.

"The issuance displays an increase in acceptance of local currency corporate bonds and sukuk among foreign investors, which is evidenced by the year-on-year growth in foreign holdings of Cagamas ringgit bonds from 0.6% to 7.8% as at September 2016," he said in a statement yesterday.

Year to date, Cagamas has issued a total of RM6.3 billion in the primary market, consisting of RM4.9 billion in domestic currency and RM1.4 billion equivalent in foreign currencies.

The company also said it had achieved secondary trading volume of RM13 billion, making it the highest traded corporate bond and sukuk in the local bond market thus far and second to government securities.