

Cagamas issues RM200m debt notes

BY SUPRIYA SURENDRAN

KUALA LUMPUR: Cagamas Bhd announced that it has made its ninth issuance of the year, its RM200 million three-year Cagamas conventional medium term notes (CMTNs), the proceeds of which will be used to fund the purchase of mortgage loans from the financial system.

The CMTNs represent Cagamas' second issuance in a week and signifies continuous demand for Cagamas bonds, which underscores investor confidence, the corporation's strong credit profile and highly resilient secondary market liquidity, said Cagamas president and chief executive officer Chung Chee Leong.

The issuance was priced at 29 basis points over the corresponding Swap level, he shared in a statement.

"Cagamas' initiatives in promot-



ing secondary market liquidity has borne fruit, as evidenced by the growth in year-to-date traded volume over the past one year, from

Chung: Cagamas' initiatives in promoting secondary market liquidity has borne fruit. **Photo by Kenny Yap**

RM2.4 billion to RM10.5 billion in July 2016, that is a surge in volume of over four times. To date, Cagamas is still leading the corporate bond market within the domestic secondary market liquidity space," he added.

The new issuance will bring the company's aggregate issuance for the year to RM4.4 billion.

The CMTNs, which will be redeemed at their full nominal value on maturity, are unsecured obligations of the company, and rank equally among themselves and with all other existing unsecured obligations of the company.