

Cagamas issues Hong Kong dollar bonds



Chung: The three-year HK\$100mil issuance was competitively priced at 3.17%, representing a spread of 60 basis points over the corresponding Hong Kong mid-swap rates.

PETALING JAYA: National mortgage corporation Cagamas Bhd has announced its Hong Kong dollar issuance amounting to HK\$310mil (RM159.45mil) through its wholly-owned subsidiary Cagamas Global PLC, to be fully and unconditionally guaranteed by Cagamas.

The Hong Kong Dollar (HKD) medium term notes, which have a maturity of three years, marked the company's first foreign currency issuance for the year issued under Cagamas' US\$2.5bil Conventional Multicurrency Medium Term Note (EMTN) programme.

In a press release yesterday, Cagamas president/CEO Datuk Chung Chee Leong said the HKD was priced more competitively compared to raising the funds domestically which further allowed the company to provide liquidity at an economical cost to domestic financial institutions.

"The company's proactive investor engagements and reverse inquiry initiatives generated interest from HKD investors for its papers, which led to the conclusion of this deal.

"Carrying an issue rating of A3 by Moody's Investor Service, the three-year HK\$100mil

issuance was competitively priced at 3.17%, representing a spread of 60 basis points over the corresponding Hong Kong mid-swap rates and was fully subscribed by foreign investors," said Chung.

Chung added that the deal also signifies continued foreign investor confidence in the company's credit strength post the recent Malaysian 14th General Elections.

"We are pleased with the conclusion of the deal as it represents the company's second issuance and revival within the HKD space," he said.

The papers, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of the Company, ranking pari passu among themselves and with all other existing unsecured obligations of the company.

They will be listed and tradable under the Scripless Securities Trading System. Being the second largest issuer of debt instruments after the Malaysian government and the largest issuer of AAA corporate bonds and sukuk in the market, Cagamas issues corporate bonds and sukuk to finance the purchase of housing loans from financial institutions and non-financial institutions.