

# Cagamas issues RM350m CMTN

**KUALA LUMPUR:** Cagamas Bhd, the National Mortgage Corporation of Malaysia, yesterday announced the issuance of its two-year conventional medium term notes (CMTN) amounting to RM350 million.

Proceeds from the issuance will be used to fund the purchase of housing loans from the financial system.

“Despite the uncertainty in global markets ahead of the US presidential elections and the Federal Open Market Committee (FOMC) rate decision in early November, which influences market participants to weigh the possibility of an interest rate hike in the upcoming meeting, the two-year CMTN was successfully concluded at a competitive yield of 3.42%, representing a spread of 10 basis points over the two-year IRS (interest rate swap) rate” said Cagamas CEO Chung Chee Leong in a statement.

“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,” added Chung.

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