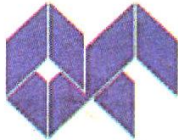


Cagamas to issue RM500m Islamic commercial papers

PETALING JAYA: National mortgage corporation Cagamas Bhd is issuing its second three-month Islamic commercial papers (ICP) for the year amounting to RM500 million.

The ICP will be issued under the Islamic Commodity Murabahah structure and proceeds from the issuance will be used to fund the purchase of Islamic financing from the financial system.

"Despite recent volatility in the



global bond markets post the US presidential election and the increasing rate hike expectation in the US amongst market players, liquidity in the local bond market remains resilient as evidenced by the commendable bid-to-cover ratio of more than 2.5 times for the company's ICP," its CEO Datuk Chung Chee Leong said in a statement yesterday.

He said the three-month ICP received overwhelming response

among the financial institutions (FIs) as the short duration corporate sukuk offers an alternative investment option for the FIs to increase their holdings in high quality liquid assets to meet the liquidity coverage ratio requirement by year end while reducing market risk exposure amidst the volatile market environment.

The ICP, which will be redeemed at their full nominal value on maturity, are unsecured obligations of the company, and will be listed and tradable under the Scripless Securities Trading System.