

Cagamas concludes issuance of RM300 mln Islamic commercial papers

KUALA LUMPUR: Cagamas Bhd, the National Mortgage Corporation of Malaysia, has announced its issuance of RM300 million three-month Islamic Commercial Papers (ICPs).

The ICPs will be issued under the Islamic Commodity Murabahah structure, and proceeds from the issuance will be used for the purchase of Shariah-compliant assets.

"We are pleased with the conclusion of the company's latest issuance which saw continued interest in our short-term papers, ahead of Bank Negara Malaysia's (BNM) Monetary Policy Committee meeting," said Cagamas president and chief executive officer, Datuk Chung

Chee Leong in a statement yesterday.

He noted that the global growth outlook remains uncertain due to concerns that economic recovery is showing signs of faltering amidst surging Covid-19 cases following the emergence of new variants, further heightening fears of movement restrictions.

"Domestically, investors continue to remain cautious due to the lack of strong catalysts in the market, given the uncertainties surrounding the Covid-19 pandemic and its vaccination progress," said Chung.

"The ICPs were priced at the corresponding three-month Kuala Lumpur Interbank Offered Rate (KLIBOR) plus

five basis points (bps) – or equivalent to 1.99 per cent based on the KLIBOR fixing on the pricing date – and the spread was 23 bps above the corresponding Malaysian Islamic Treasury Bills," he added.

The new issuance brings the company's aggregate issuance for the year to RM8.45 billion.

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

They will be listed and tradable under the Scruples Securities Trading System. — Bernama