Cagamas concludes RM755 mln aggregate issuances

KUALA LUMPUR: Cagamas Bhd (Cagamas) has concluded aggregate issuances valued at RM755 million comprising both Islamic and conventional debt instruments.

The national mortgage corporation said it issued RM200 million one-year floating rate notes (FRNs), RM85 million one-year conventional medium term notes, RM25 million one-year Islamic medium term notes, RM345 million three-month Islamic commercial papers, and RM100 million three-month conventional commercial papers.

It said proceeds from the issuances would be used to purchase housing loans and Islamic home financing from the financial system.

"We are very appreciative of the support from our investors with the conclusion of our latest aggregate issuances. The turn to safe-haven assets arose from sentiments of lingering threats by the Covid-19 Delta variant which may dampen global economic recovery.

"We are confident that Cagamas papers will continue to be in demand while local market players remain cautious amid pandemic uncertainties under the current economic recovery plan that aims to shape the growth trajectory moving forward," Cagamas president and chief executive officer Datuk Chung Chee Leong said in a statement.

The one-year FRNs marked the company's first FRN issuance since 2019.

"This underscores the company's ongoing efforts in developing onshore capital markets through the issuance of diversified structures, catering for various investment needs.

"The FRNs were priced competitively at the corresponding three-month Kuala Lumpur Interbank Offered Rate (KLIBOR), or equivalent to 1.94 per cent based on KLIBOR fixing on the pricing date," added Chung.

The other issuances were also priced competitively, representing 23 to 37 basis points above the corresponding Malaysian Islamic Treasury Bills, Malaysian Treasury Bills, Malaysian Government Investment Issues and Malaysian Government Securities.

The latest issuances bring Cagamas' aggregate issuances for the year to RM9.5 billion. — Bernama