

Cagamas ends 3Q with RM2.45b issuances

KUALA LUMPUR: National mortgage corporation Cagamas Bhd has made aggregate issuances of RM2.45 billion, the proceeds of which will be used to fund the purchase of housing loans and eligible assets from the financial system.

The issuances comprise RM400 million three-month conventional commercial papers, RM550 million two-year conventional medium term notes and RM1.5 billion multi-tranche one, two and three-year Islamic medium term notes (IMTNs), it said in a statement Tuesday. President and chief executive officer Datuk Chung Chee Leong expressed gladness that the corporation was ending its third quarter with the successful conclusion of these issuances.

"Although set against a backdrop of soft market conditions arising from market expectations of a possible tapering announcement by the US Federal Open Market Committee coupled with persistent concerns over potential default by one of the property firms in China and its impact towards the global markets, we are delighted by the strong support for Cagamas papers," he said.

According to him, the IMTNs were

priced through a public book building exercise which successfully enticed participation from a diverse investor base comprising financial institutions, insurance companies, asset managers, sovereign wealth funds, pension funds, statutory body as well as foreign investors.

"Demands for the company's papers were overwhelming, resulting in tightening of the one-year tranche from an initial price guidance of 2.20 per cent to 2.18 per cent while the three-year tranche was up-sized from an initial RM800 million to a final RM1.15 billion.

"The IMTNs registered competitive spreads of 35 to 39 basis points (bps) against Malaysian Government Investment Issues," said Chung.

Cagamas said the other issuances were concluded via private placements and priced competitively, representing 22 to 47 bps above the corresponding Malaysian Treasury Bills and Malaysian Government Securities.

The new issuances bring the company's aggregate issuances for 2021 to RM11.95 billion, surpassing its RM11.7 billion total issuances in the preceding year. - Bernama