

Cagamas closes aggregate issuances of RM1.4b



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CAGAMAS Bhd has successfully concluded a combined RM1.4 billion worth of issuances amid market uncertainties.

This, it said, comprises RM300 million three-month conventional commercial papers (CCPs), RM100 million three-month Islamic Commercial Papers (ICPs), RM600 million two-year Conventional Medium Term Notes (CMTNs) and RM400 million three-year CMTNs.

The national mortgage corporation said proceeds from the issuances will be used to fund the purchase of housing loans and eligible assets from the domestic financial system.

“We are pleased with the successful conclusion of the issuances ahead of the US Federal Reserve’s second consecutive increase of 25 basis points (bps) at its recently scheduled meeting, while market continued to remain cautious on further banking turmoil in the global scene,” said Cagamas president/CEO Datuk Chung Chee Leong (*picture*).

He said the CCPs and ICPs were priced at 5 bps to 8 bps below the three-month Kuala Lumpur Interbank Offered Rate (KLIBOR). Meanwhile, the two and three year CMTNs were priced at 3.78% and 3.88% respectively, with spreads of 47 bps above the corresponding Malaysian Government Securities.

“The concluded issuances were priced via a private placement exercise, which brings the company’s total funds raised for the year to RM4.14 billion,” added Chung.

Cagamas said the papers will be redeemed at their full nominal value upon maturity, are unsecured obligations of the company, ranking pari passu with all other existing unsecured obligations of the company. — **TMR**