

# Cagamas prices issuances worth 1.4 billion ringgit

Deal wrapped up ahead of latest Fed rate hike as market remains cautious

## The Asset

29 Mar 2023

Cagamas, the National Mortgage Corporation of Malaysia, has priced a package of issuances amounting to 1.4 billion ringgit (US\$318 million) ahead of the latest Fed rate hike.

The issuances comprised 300 million ringgit three-month conventional commercial papers (CCPs), 100 million ringgit three-month Islamic commercial papers (ICPs), 600 million ringgit two-year conventional medium-term notes (CMTNs), and 400 million ringgit three-year CMTNs.

They were priced via a private placement exercise, bringing the total funds the company has raised for the year to 4.14 billion ringgit. The proceeds from the issuances will be used to purchase 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 at its recently scheduled meeting, while market continued to remain cautious on further banking turmoil in the global scene,” says Cagamas president and chief executive officer Chung Chee Leong.

The CCPs and ICPs were priced at 5bp to 8bp below the three-month Kuala Lumpur interbank offered rate. The two- and three-year CMTNs were priced at 3.78% and 3.88% respectively, with spreads of 47bp above the corresponding Malaysian government securities.

The papers will be redeemed at their full nominal value upon maturity. As unsecured obligations of the company, they rank pari passu with all of its other existing unsecured obligations.