

Cagamas concludes pricing for RM705 mln bonds, sukuk

KUALA LUMPUR: National mortgage corporation Cagamas Bhd has concluded its pricing for RM705 million worth of bonds and sukuk.

Its president and chief executive officer, Datuk Chung Chee Leong, said the issuances comprised RM305 million three-month Islamic commercial papers, RM300 million three-month conventional commercial papers and RM100 million dual tenure one- and two-year conventional medium-term notes.

"Proceeds from the respective issuances will be used to fund the purchases of eligible assets, including housing loans/house financing from the financial system," he said in a statement yesterday.

He added that the recent overnight policy rate cut by Bank Negara Malaysia had resulted in some housing

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loans-originating institutions and others to seek liquidity solutions from Cagamas and secure competitive funding rates given the continued low interest rate environment.

"This led to the successful conclusion of the above deals, which were conducted via private placement basis," he said.

Chung said the issuances continued to be supported by investors, indicating improved sentiment in the domestic capital market due to various measures undertaken by the central bank in supporting the efficient functioning of the domestic financial markets

coupled with the recovery in global crude oil prices.

"The transactions marked the company's sixth issuance exercise for the year and brings the year-to-date issuance amount to RM3.31 billion," he said.

Chung said the papers, to be redeemed at their full nominal value on maturity, were unsecured obligations of the company, ranking pari passu with all other existing unsecured obligations of Cagamas.

"They will be listed and tradable under the Scripless Securities Trading System," he said. — Bernama