

iBoxx Tadawul SAR Government Sukuk Indices – Quarterly Report

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iBoxx Tadawul SAR Government Sukuk - Q2 2022

Exhibit 1: Total Return Index. iBoxx Tadawul SAR Government Sukuk (Overall).



Source: S&P Dow Jones Indices LLC. Data as of Jun. 30, 2022.

Exhibit 2: Total Return Index (TRI) by Maturity.

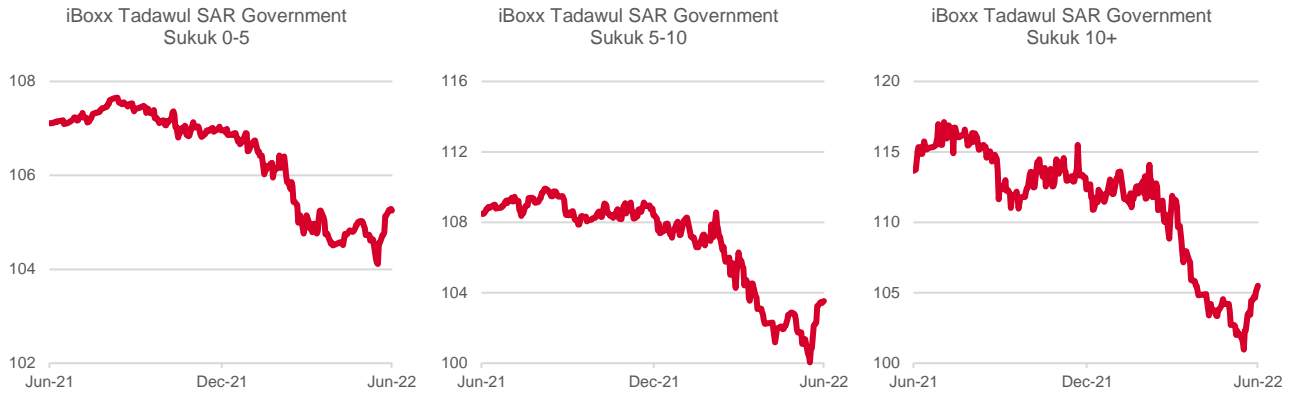


Exhibit 3: Key Analytics. iBoxx Tadawul SAR Government Sukuk (Overall).

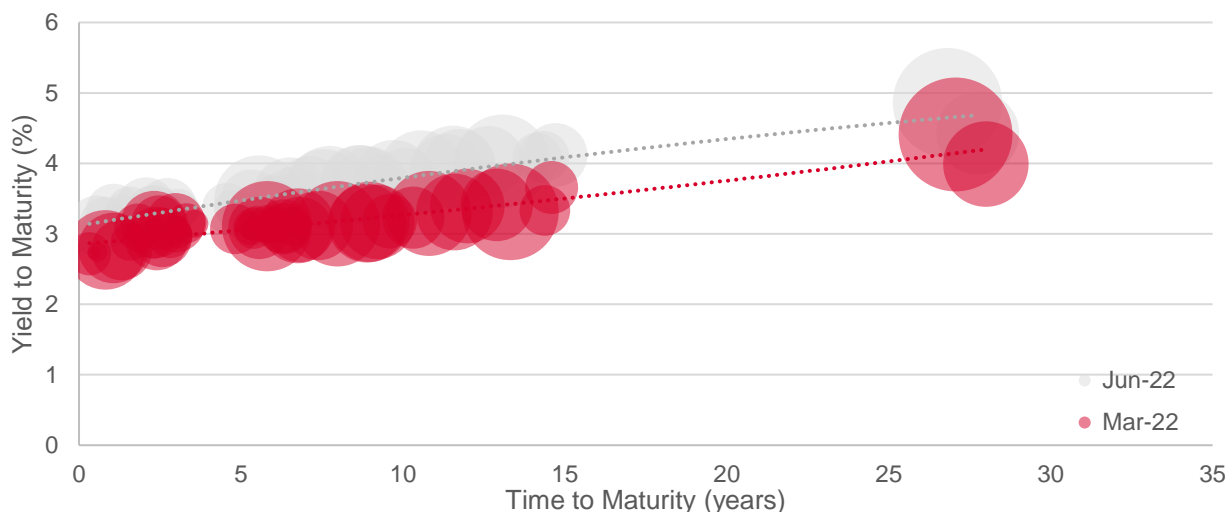
Annual Yield		4.00%
Coupon		3.14%
Duration	7.09 years	
Expected Remaining Life	9.56 years	
Average Rating	A	
Currency	SAR	
Debt Type	Domestic Sovereign Sukuk	
Daily Return		0.08%
Month-to-Date Return		1.14%
Year-to-Date Return		-4.52%

Exhibit 4: Key Analytics.



Source: S&P Dow Jones Indices LLC. Data as of Jun. 30, 2022.

Exhibit 5: Yield Curve.



Source: S&P Dow Jones Indices LLC. Data as of June, 30 2022

	1-3	3-5	5-7	7-10	10+
Quarter to Date Return	0.16%	-0.54%	-1.35%	-3.61%	-5.70%
Month to Date Return	0.26%	0.59%	0.76%	1.26%	1.76%

	m-6	m-5	m-4	m-3	m-2	m-1	Jun-22
Month to Date Return	-0.81%	0.00%	-0.51%	-0.85%	-4.08%	-0.24%	1.14%

Notes

While the iBoxx Tadawul SAR Government Sukuk index continued its negative performance in April and May, the returns started to recover in mid June. The big shift came after the Federal Reserve announced the biggest interest rate hike since 1994 (+75 bps) on June 15, 2022. This mayor Fed policy reversal alleviated inflation fears and helped the long end of the Sukuk curve stage a recovery. The long end of the Sukuk curve registered the highest change quarter-on-quarter, while the short end of the Sukuk curve performed better in a month-to-date comparison.

While there were little change to the short end of the yield curve during the last quarter, the longer end of the yield curve shifted out.

There were 6 new additions to the index at the medium and long end of the curve.

ISIN	Issuer	Rating	Final Maturity	Notional Amount
SA15GG0IJ336	Kingdom of Saudi Arabia	A	20/01/2030	12,351,000,000
SA15GG0IJ3J3	Kingdom of Saudi Arabia	A	20/01/2034	14,035,000,000
SA15HVK2J435	Kingdom of Saudi Arabia	A	17/03/2027	2,594,944,000
SA15HVK2J4J4	Kingdom of Saudi Arabia	A	17/03/2029	1,945,000,000
SA15HVK2J534	Kingdom of Saudi Arabia	A	17/03/2032	13,208,692,000
SA15HVK2J5J1	Kingdom of Saudi Arabia	A	17/03/2037	8,494,844,000

iBoxx Tadawul SAR Government Sukuk and Bond - Q2 2022

Exhibit 6: Total Return Index. iBoxx Tadawul SAR Government Sukuk and Bond (Overall).



Exhibit 7: Key Analytics. iBoxx Tadawul SAR Government Sukuk and Bond.

Annual Yield		3.99%
Coupon		3.11%
Duration	6.87 years	
Expected Remaining Life	9.23 years	
Average Rating	A	
Currency	SAR	
Debt Type	Domestic Sovereign Sukuk and Bonds	
Daily Return		0.07%
Month-to-Date Return		1.13%
Year-to-Date Return		-4.25%

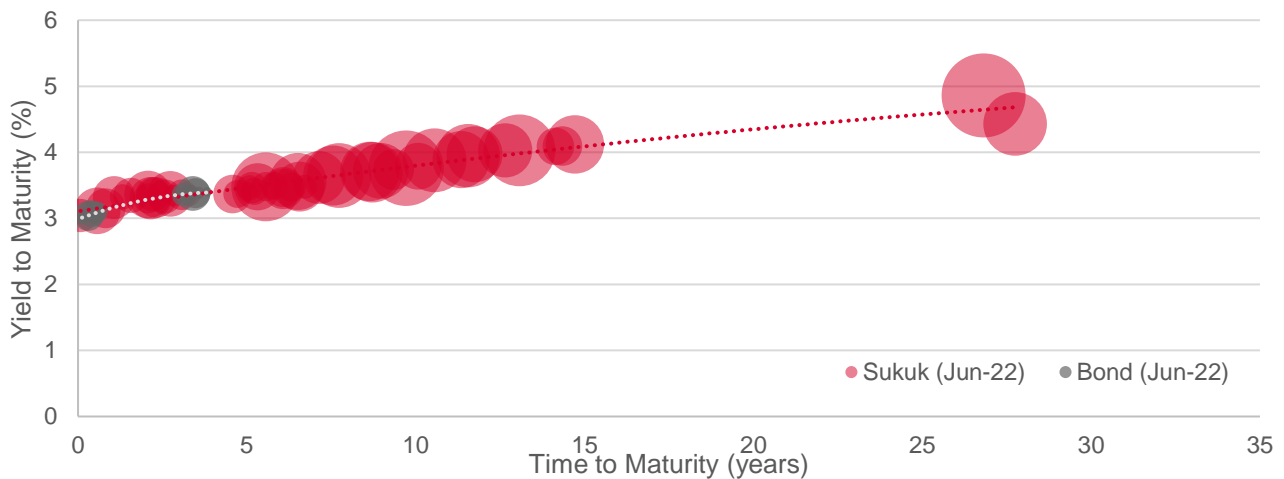
Exhibit 8: Key Analytics. iBoxx Tadawul SAR Government Sukuk and Bond.

Market Commentary

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Exhibit 9: Yield curve. iBoxx Tadawul SAR Government Sukuk and Bond (Overall).

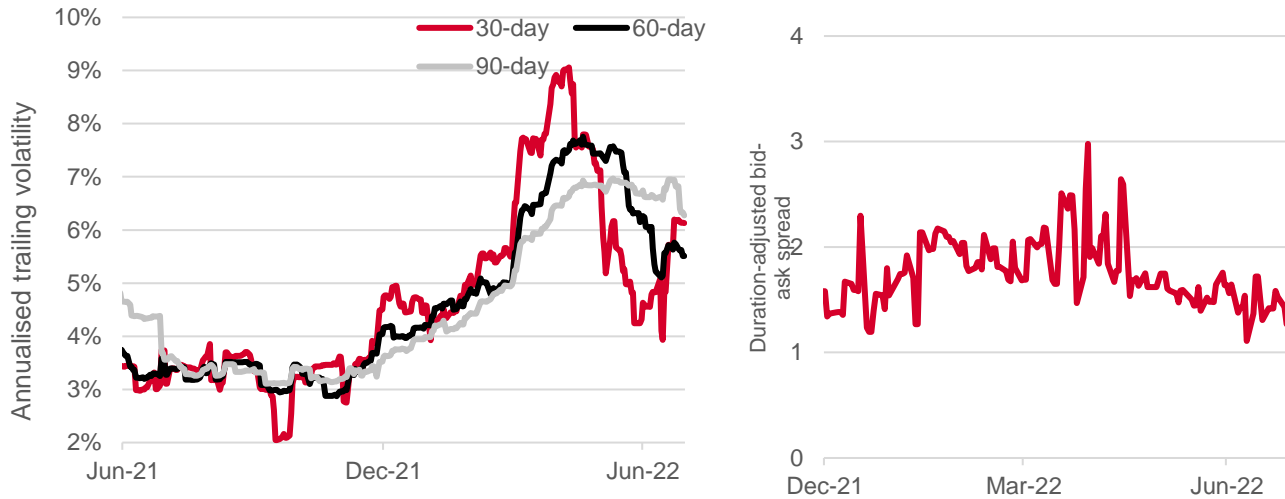


Notes

In line with the wider market, the iBoxx Tadawul SAR Government Sukuk and Bond Index halted the past few months’ declines following’s the Fed’s decision to increase interest rates. The yield curve however still shifted upwards compared to the previous quarter, reflecting the pressure the market has seen through the majority of the quarter.

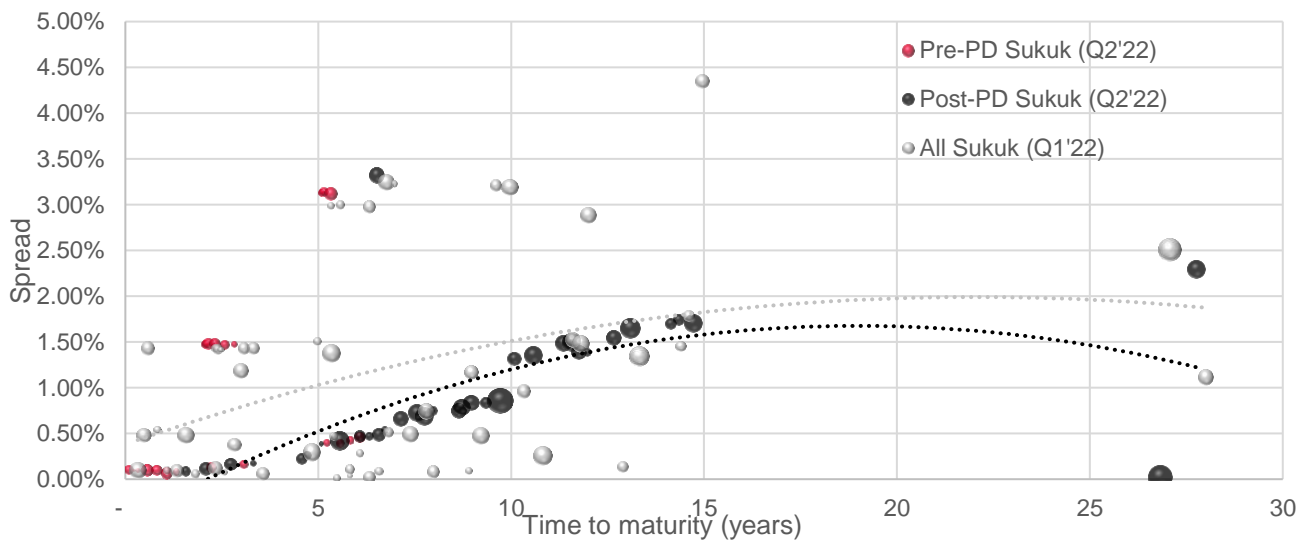
Volatility x Liquidity

iBoxx Tadawul SAR Government Sukuk Index Overall (annualised) trailing volatility (derived from the trailing standard deviation of the index’s daily log return, based on a 30-day, 60-day and 90-day lookback period), alongside the duration-adjusted bid-ask spread.



Spread margin curve

iBoxx Tadawul SAR Government Sukuk Index Overall constituent bonds’ bid/ask spread margin relative to time to maturity (rather than expected time to maturity). Trendlines are for illustrative purposes only.



Source: S&P Dow Jones Indices LLC. Data as of June, 30 2022. (Bubble scale = Notional amount outstanding)

Notes

Following a volatile first quarter, the duration-adjusted bid/ask spread has narrowed over the course of the second quarter.

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