



**BORSA**  
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## **Task Force on Indices**

OIC Member States' Stock Exchanges Forum  
11th Meeting / October 31th, 2017

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# S&P/OIC COMCEC 50 Shariah Index

## ➤ Starting Point

- Despite there are numerous Islamic indices in the world, most of them include equities from non-Islamic countries
- Hence they do not truly represent the Islamic world

## ➤ Priorities

- Raising awareness about the OIC markets
- Facilitating the collaboration among the OIC Exchanges
- Creating different investment alternatives through structured products based on the Index



# S&P/OIC COMCEC 50 Shariah Index

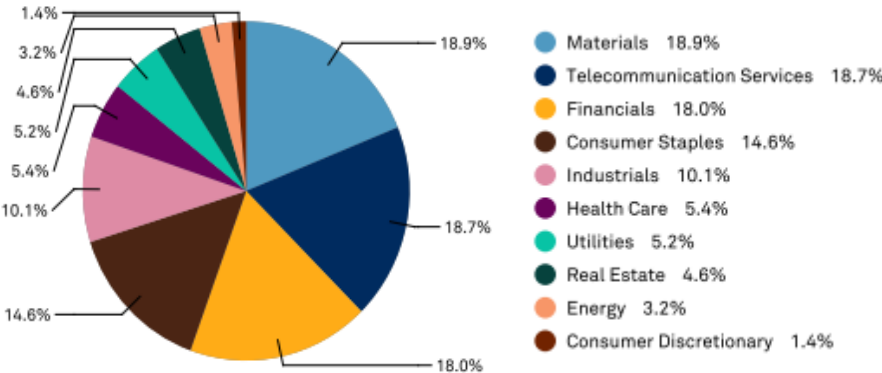
- The S&P/OIC COMCEC 50 Shariah Index has successfully been launched in 2012
- The Index includes 50 leading Shariah-compliant companies from 19 countries that are covered by S&P DJ Indices, namely:

Bahrain, Bangladesh, Côte d'Ivoire, Egypt, Indonesia, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Morocco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Tunisia, Turkey and the United Arab Emirates



# S&P/OIC COMCEC 50 Shariah Index Factsheet\*

## Sector Breakdown



## Historical Performance (USD)



## Index Characteristics

NUMBER OF CONSTITUENTS	50
CONSTITUENT MARKET (USD MILLION)	
MEAN TOTAL MARKET CAP	11,216.84
LARGEST TOTAL MARKET CAP	82,253.81
SMALLEST TOTAL MARKET CAP	97.78
MEDIAN TOTAL MARKET CAP	6,897.14
WEIGHT LARGEST CONSTITUENT [%]	5.2
WEIGHT TOP 10 CONSTITUENTS [%]	42.3

## Performance

INDEX LEVEL	RETURNS			ANNUALIZED RETURNS			
	1 MO	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
<b>TOTAL RETURNS</b>							
195.70	-1.27%	0.68%	11.41%	12.52%	-5.29%	1.93%	N/A
<b>PRICE RETURNS</b>							
139.91	-1.32%	0.15%	8.11%	8.80%	-8.39%	-1.53%	N/A

\*As of September 29, 2017



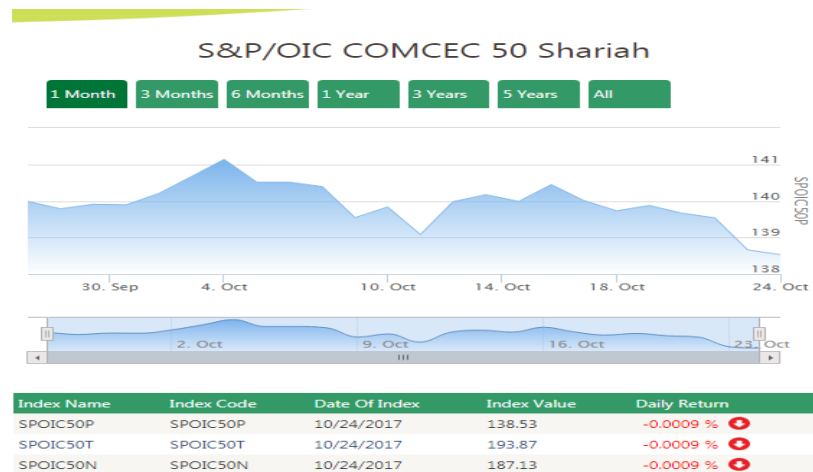
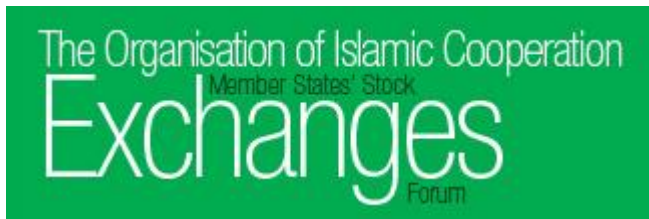
# The 10th Forum Meeting Decisions

- The Forum has taken the following decisions at its 10th Meeting
  - ✓ The Task Force on Indices is mandated to continue its efforts to promote both the index and possible product creation on the index and finalize its ongoing studies on publishing the index on both Bursa İstanbul and OIC Exchanges Forum websites
  - ✓ Forum members agreed to make their best effort to promote the S&P OIC COMCEC Shariah 50 Index and the potential sub-indices in their markets
  - ✓ Forum members also agreed to work for publishing the Index on their own websites with the assistance of Task Force



# The Promotion of the S&P/OIC COMCEC 50 Shariah Index

- Informed asset managers by email
- Visited some of them to assess the possibilities of index-oriented investment products
- Published the Index information on the Forum website



# Policy Recommendations

## Widening the index universe

- One of the suggestions was to increase the number of stocks from 19 countries in order to increase the liquidity of the index
- According to S&P Dow Jones Indices, the index is liquid enough to launch as is and also if any institution feel the need of customizing the index, they are willing to do that

**Draft Decision (I)** Forum members agreed to consider the recommendation regarding of widening the index universe as a long-term target until any asset manager is willing to use an index which is more liquid for their financial products



# Policy Recommendations

## Launching a new sub-index which may only include companies from emerging OIC markets

- The main obstacle is the operational challenges such as settlement periods and mismatching of trading days. In order to overcome these challenges, the idea to create a sub-index may be an option
- As stated by S&P Dow Jones Indices, this is possible as long as they stay in line with the current methodology

**Draft Decision (II)** Task Force on Indices is mandated to conduct a survey regarding the idea of creation of a sub-index that tracks fewer jurisdictions and produce a summary of the survey results for OIC Member States' Exchanges





# Policy Recommendations

## Establishing Shariah indices working group

- During the workshop, all participants have agreed that since the launch of the index, the efforts to market and promote the index were not enough
- The participants have also highlighted that there is a lack of demand for Shariah-compliant funds so the first priority should be raising awareness about OIC markets

**Draft Decision (III)** Forum members agreed to make their best effort to promote the S&P OIC COMCEC Shariah 50 Index and also Forum mandates Task Force on Indices to establish a new working group in order to develop comprehensive and coherent marketing strategies and share their knowledge and experiences among OIC Member States





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**Thank You**