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Customized Indices and Exchange Traded Islamic Financial Products Task Force

OIC Member States' Stock Exchanges Forum 7th Meeting
September 19th, 2013, İstanbul

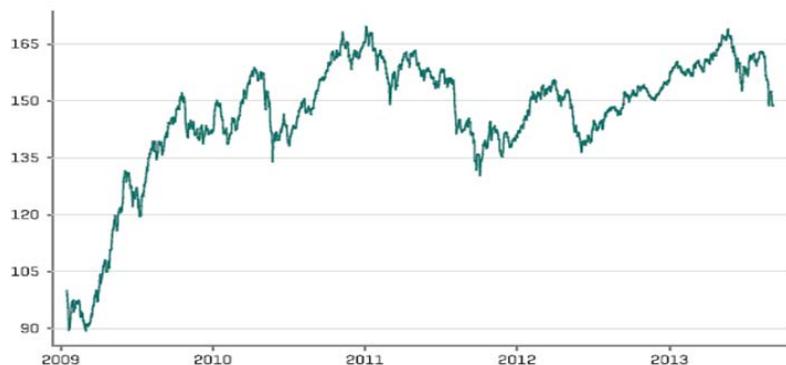
Şenay Pehlivanoğlu, Enforcement and Market Supervision

S&P/OIC COMCEC 50 Shariah Index Launch Ceremony / June 22nd, 2012



S&P/OIC COMCEC 50 Shariah Index Factsheet

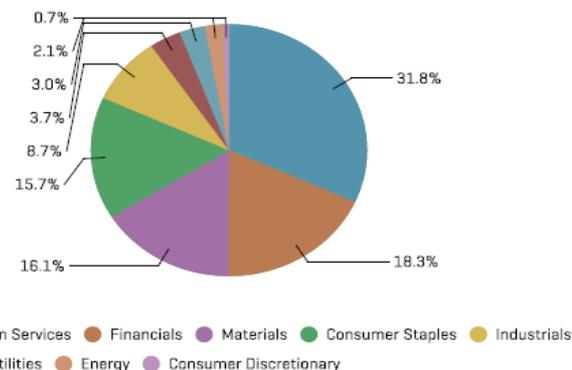
Historical Performance
[as of 08-Sep-2013]



Index Characteristics
[as of 30-Jun-2013]

Inception Date	15-Jun-2012
Number of Constituents	50
Constituent Market Cap [USD Millions]	
Mean Total Market Cap	10613.85
Largest Total Market Cap	73196.10
Smallest Total Market Cap	123.93
Median Total Market Cap	8184.20

Sector Breakdown
[as of 08-Sep-2013]



Performance
[as of 08-Sep-2013]

Index Level	Returns				Annualized Returns		
	1 Day	MTD	QTD	YTD	1 Year	3 Year	5 Year
TOTAL RETURNS							
181.77	0.04%	-2.05%	-5.70%	-0.91%	4.46%	3.16%	N/A
PRICE RETURNS							
148.76	0.04%	-2.16%	-6.26%	-4.17%	0.53%	-0.85%	N/A

BLOOMBERG™ Tickers

S&P/OIC COMCEC 50 Shariah | Price Return: SPOIC50P [USD] | Total Return: SPOIC50T [USD] | Net Total Return: SPOIC50N [USD]



Consultations with S&P DJI

Main topics:

- developing an integrated strategy for the promotion of the Index
- developing structured products (such as ETFs)
- sub-indices



Consultations on Developing Structured Products

Considering their experience in the field and close relationships with the markets, Istanbul offices of the leading financial institutions (*namely; Deutsche Securities, Citibank and HSBC Securities*) and the local institutions (*İş Bank and İş Asset Management*) have been visited by the S&P DJI and Task Force officials on May 20, 2013.



Consultations on Developing Structured Products

During the visits, the participants agreed on the need to create sub-indices with less countries to minimize operational costs and risks.

Another key issue that's been agreed on was the importance of analyzing the demand side.

S&P DJI officials designed two scenarios for the sub-index (5 countries, 25 stocks / 4 countries, 25 stocks) and these alternatives have been sent to the aforementioned institutions in order to get their feedback.



Impact of the Global Uncertainties

Developments regarding global monetary policies since May have been leading to the re-pricing of all financial assets.

The turmoils in some OIC countries also have negative impacts on the investor appetite for the region.

Lingering uncertainties, particularly in the monetary policies of developed economies, fuel the volatility in financial markets.



Impact of the Global Uncertainties

In line with these developments;

- capital flows to emerging economies have slowed down
- the weight of emerging market assets in global portfolio investments is observed to decrease
- exchange rate volatility remains high
- oil prices rise



Impact of the Global Uncertainties

Despite the good news on the Euro area, the global economy has not settled into a stable growth trend yet and future capital flows are envisaged to remain volatile.

Under these circumstances, «wait-and-see» might be the best policy in terms of launching new products.



The Way Forward

Sura Hûd, ayah 115;

وَأَصْبِرْ فَإِنَّ اللَّهَ لَا يُضِيعُ أَجْرَ الْمُحْسِنِينَ

«And be patient! For sure Allah does not let the reward of the righteous to be wasted.»





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Thank you