

# iBoxx Tadawul SAR Government Sukuk Indices – Q4 2022

## Contributors

**Paulina Lichwa-Garcia**  
Associate Director  
Fixed Income Indices  
[paulina.lichwa-garcia@spglobal.com](mailto:paulina.lichwa-garcia@spglobal.com)

**Florian Guth**  
Principal  
Fixed Income Indices  
[florian.guth@spglobal.com](mailto:florian.guth@spglobal.com)

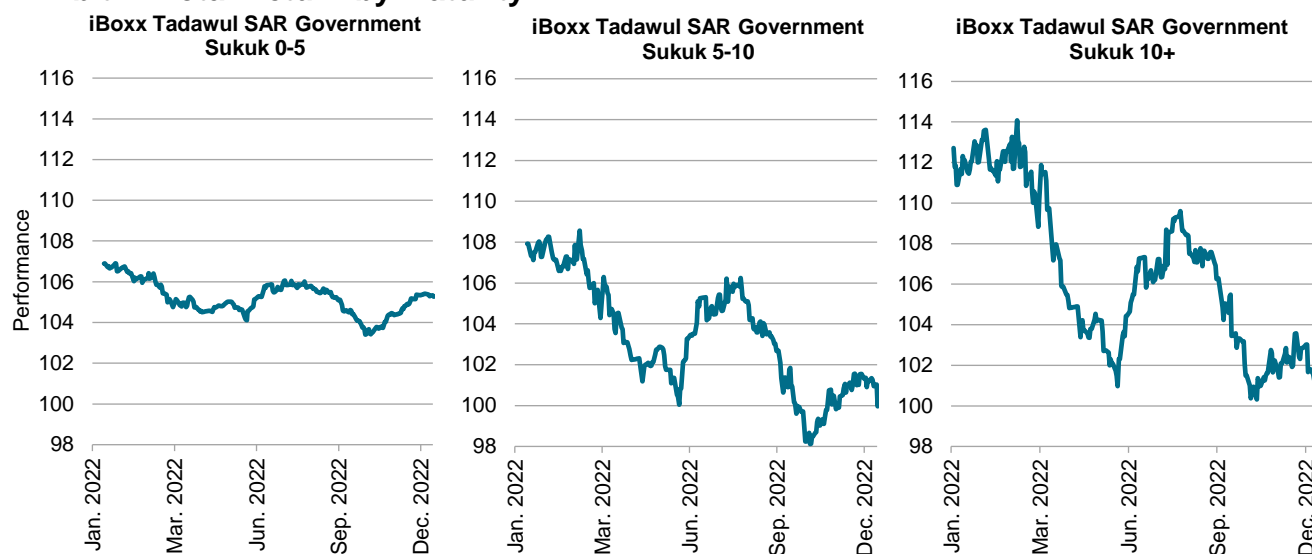
## iBoxx Tadawul SAR Government Sukuk Index

The iBoxx Tadawul SAR Government Sukuk Index total return level declined over the course of 2022, in line with other bond markets, which all were under pressure throughout the year. The index touched its low point at the end of October, falling under 99 for two days. Toward the end of the year, the levels recovered, but annual yields have stayed elevated even at the end of 2022, as countries' interest rates rose, following increases by the U.S. Federal Reserve. Meanwhile, index duration plunged (see Exhibit 4), with subdued new debt issuance.

### Exhibit 1: Total Return of the iBoxx Tadawul SAR Government Sukuk Index



Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance is based on total return in SAR. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

**Exhibit 2: Total Return by Maturity**

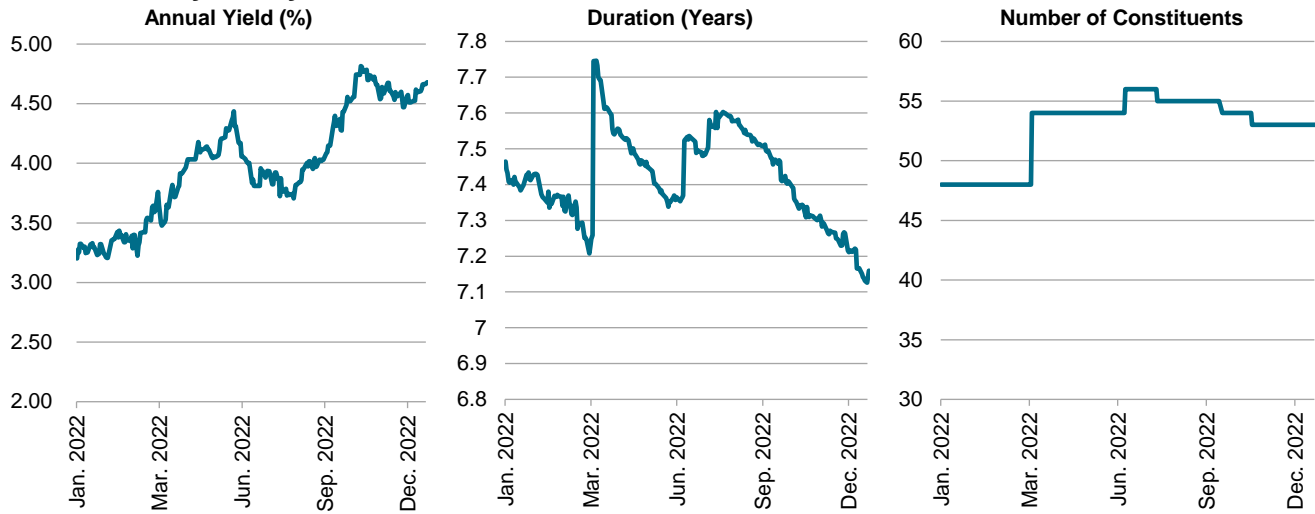
Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance is based on total return in SAR. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

**Exhibit 3: Key Analytics of the iBoxx Tadawul SAR Government Sukuk Index**

Key Analytics	iBoxx Tadawul SAR Government Sukuk
Annual Yield	4.66%
Coupon	3.17%
Duration	6.81 Years
Expected Remaining Life	9.36 Years
Average Rating	A
Currency	SAR
Debt Type	Domestic Sovereign Sukuk
Daily Return	-0.01%
Month-to-Date Return	-0.12%
Year-to-Date Return	-6.98%

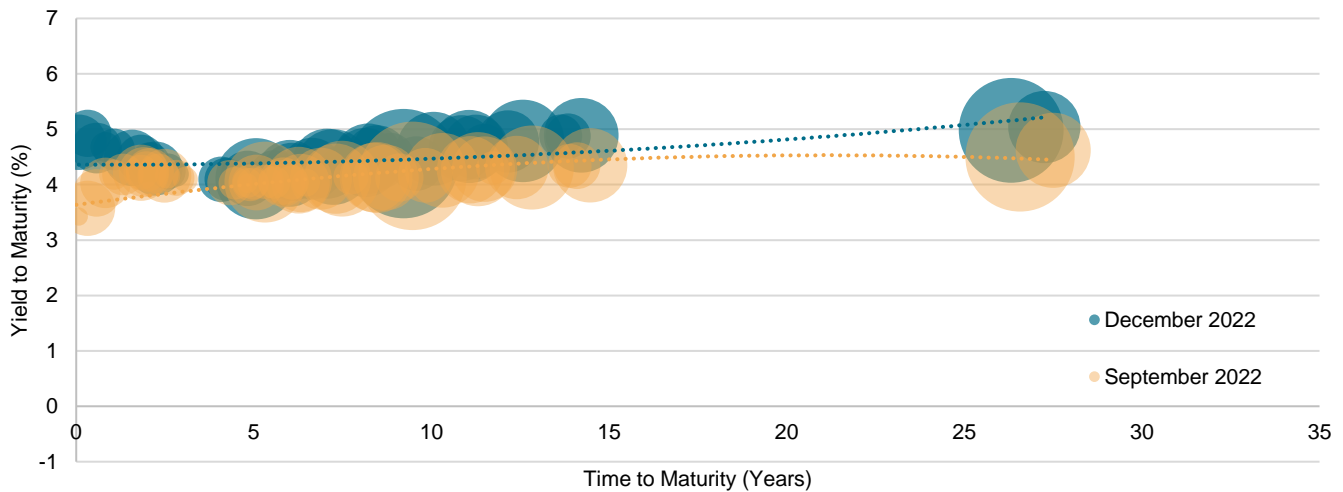
Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance is based on local currency, USD unhedged. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 4: Key Analytics of the iBoxx Tadawul SAR Government Sukuk Index**



Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

**Exhibit 5: Yield Curve of the iBoxx Tadawul SAR Government Sukuk Index**



(Bubble Scale = Notional Amount Outstanding in SAR)

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

**Exhibit 6: Quarterly and Monthly Return by Maturity**

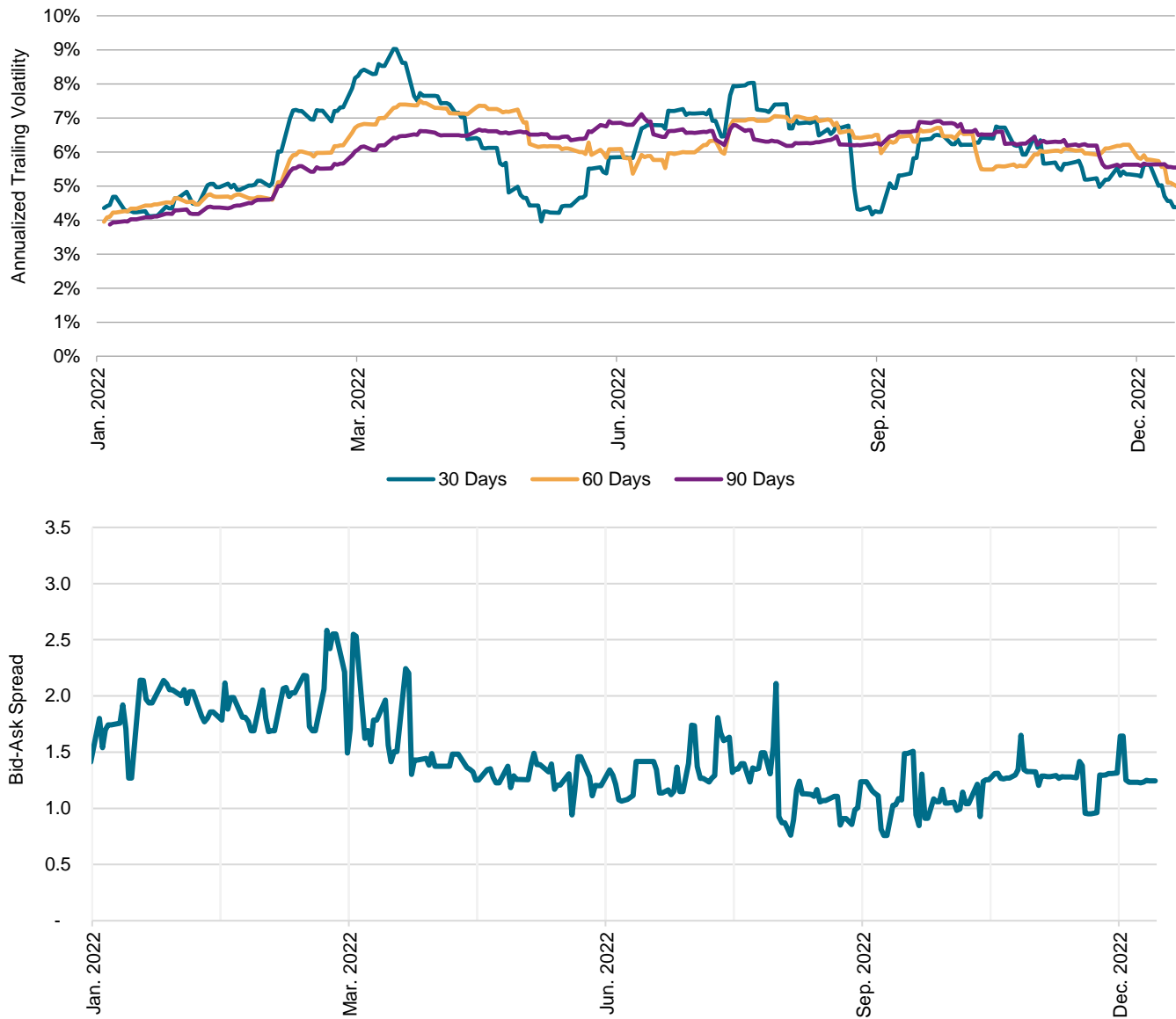
Period	Maturity						
	1-3 Years	3-5 Years	5-7 Years	7-10 Years	10+ Years		
Quarter-to-Date Return (%)	0.65	0.71	0.38	-0.86	-3.89		
Month-to-Date Return (%)	0.72	0.51	0.46	0.29	-1.16		
Period	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022
Month-to-Date Return (%)	1.14	0.88	-0.38	-2.11	-2.92	2.13	-0.12

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

# Volatility and Liquidity

The volatility of the global bond markets was heightened in 2022 following the start of the Russia-Ukraine conflict, along with rapid and pronounced interest rates hikes. The Saudi Arabia local currency bond market has also seen the impact on the dispersion of market movements. Toward the end of the year, however, volatility and the bid-ask spread saw some narrowing.

**Exhibit 7: Volatility and Duration-Adjusted Bid-Ask Spread of the iBoxx Tadawul SAR Government Sukuk Index Overall**

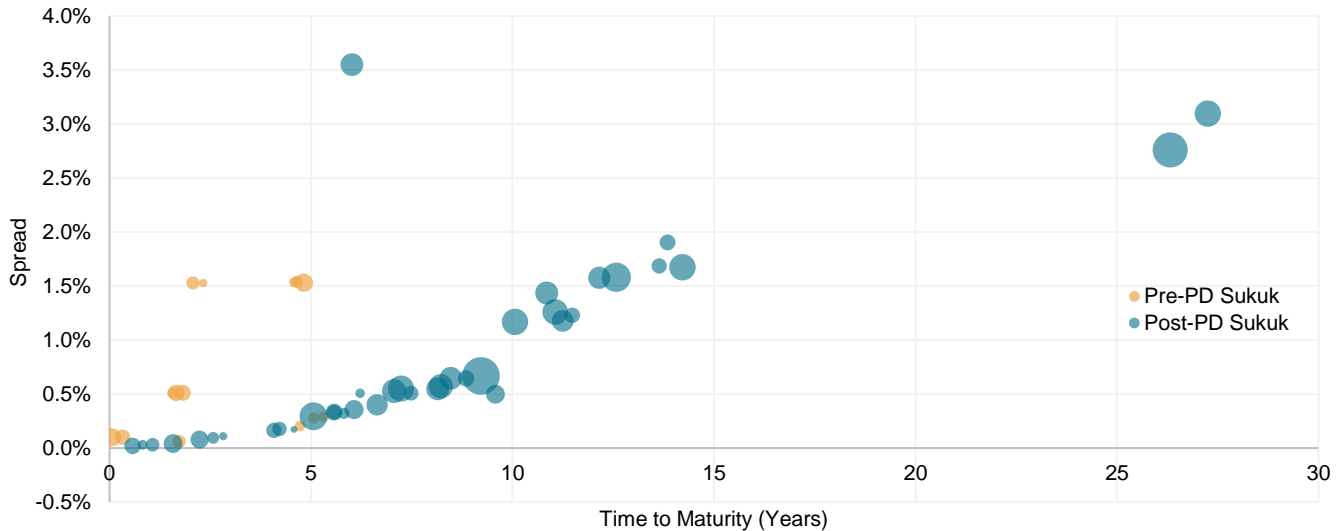


Source: IHS Markit, part of S&P Global. iBoxx Tadawul SAR Government Sukuk Index Overall (annualized) trailing volatility (derived from the trailing standard deviation of the index’s daily log return, based on a 30-day, 60-day and 90-day lookback period), alongside the duration-adjusted bid-ask spread. Data as of Dec. 31, 2022. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

# Spread Margin Curve

Exhibit 8 shows the iBoxx Tadawul SAR Government Sukuk Index bond constituents' bid-ask spread margin relative to the time to maturity (rather than expected time to maturity).

**Exhibit 8: Spread Margin Curve of the iBoxx Tadawul SAR Government Sukuk Index**



(Bubble Scale = Notional Amount Outstanding in SAR)

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

# iBoxx Tadawul SAR Government Sukuk and Bond Index

**Exhibit 9: Total Return of the iBoxx Tadawul SAR Government Sukuk and Bond Index**

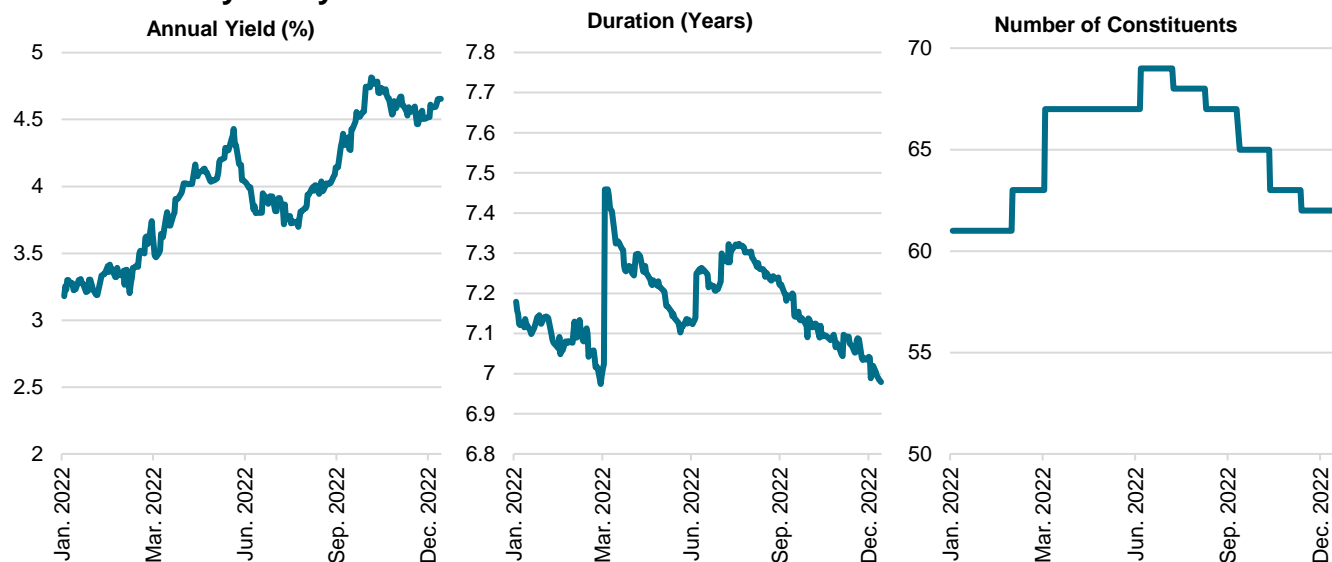


Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance is based on total return in SAR. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

**Exhibit 10: Key Analytics of the iBoxx Tadawul SAR Government Sukuk and Bond Index**

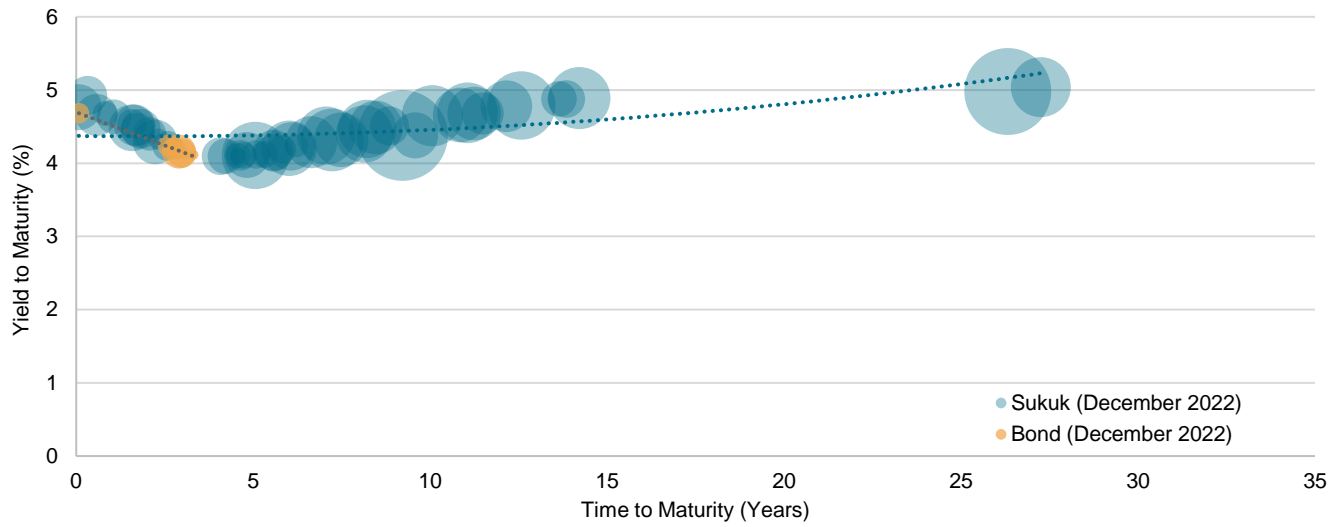
Key Analytics	iBoxx Tadawul SAR Government Sukuk and Bond
Annual Yield (%)	4.65
Coupon (%)	3.17
Duration	6.67 Years
Expected Remaining Life	9.14 Years
Average Rating	A
Currency	SAR
Debt Type	Domestic Sovereign Sukuk and Bonds
Daily Return (%)	-0.01
Month-to-Date Return (%)	-0.07
YTD Return (%)	-6.57

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Index performance is based on total return in SAR. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 11: Key Analytics of the iBoxx Tadawul SAR Government Sukuk and Bond Index**

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Past performance is no guarantee of future results. Charts are provided for illustrative purposes.

**Exhibit 12: Yield Curve of the iBoxx Tadawul SAR Government Sukuk and Bond Index**



(Bubble Scale = Notional Amount Outstanding in SAR)

Source: IHS Markit, part of S&P Global. Data as of Dec. 31, 2022. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

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