



بنك الإمارات دبي الوطني  
Emirates NBD

## Sukuk Note 17 August 2017

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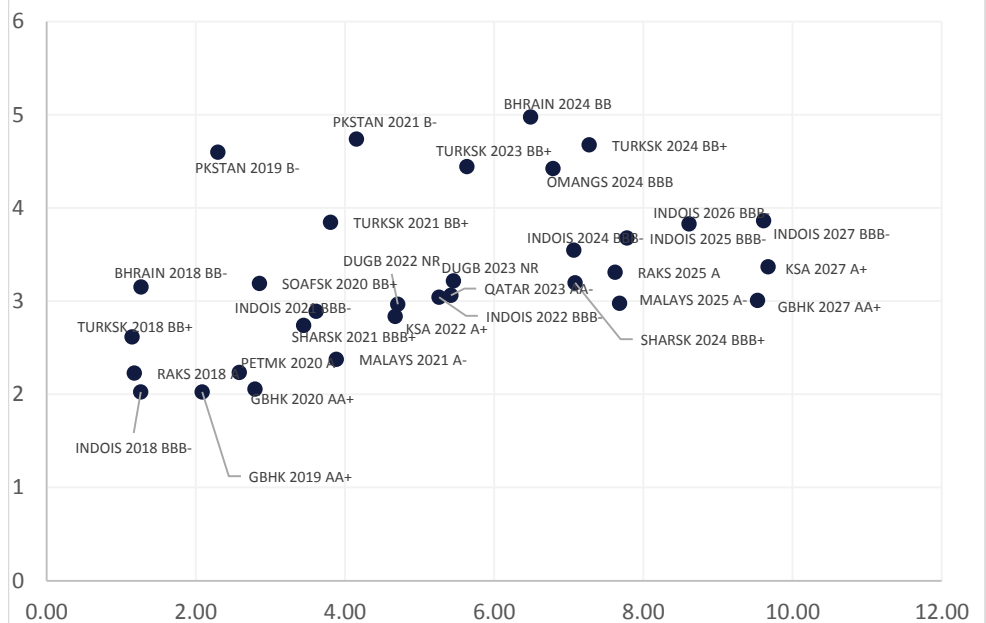
# Relative Value in Sukuk

Current trading yield on issues included in the **Emirates NBD iBoxx Markitt Sukuk Index** vary from low of 1.95% on IDB 19s to a high 8.83% on Al Baraka 22s.

Looking at this universe of USD denominated, internationally tradable sukuk we discover following themes:

- 1) GCC sovereigns are trading cheaper than their Asian counterparts. In particular
  - a) RAKS 25s, rated A, at 3.31% appear cheaper than MALAYS 25s rated A- at 2.97%
  - b) QATAR 23s, rated AA-, at 3.06% appear cheaper than INDOIS 22s at 3.04% for a two month extension in maturity.

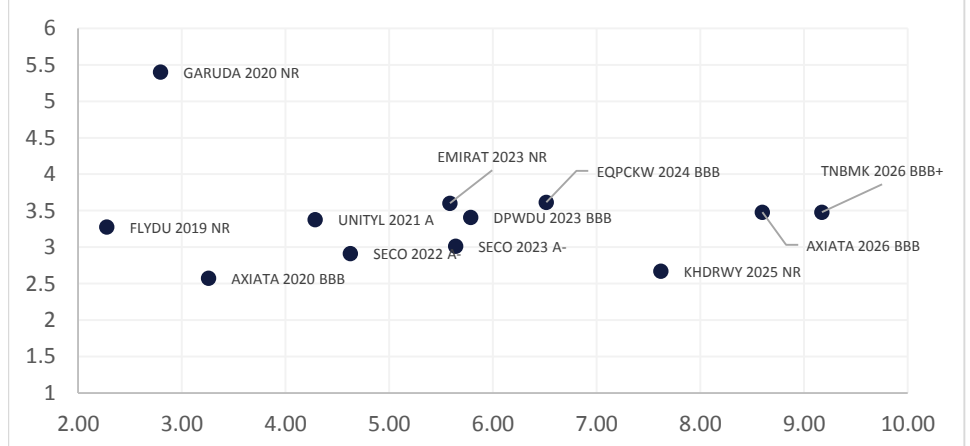
### Sovereign Sukuk universe



Source: Emirates NBD Research, Markit

- 2) In the corporate space While GARUDA20s at yield of 5.40% looks cheap compared with other airlines, AXIATA 20s, rated BBB, appear expensive at yield of 2.57%.

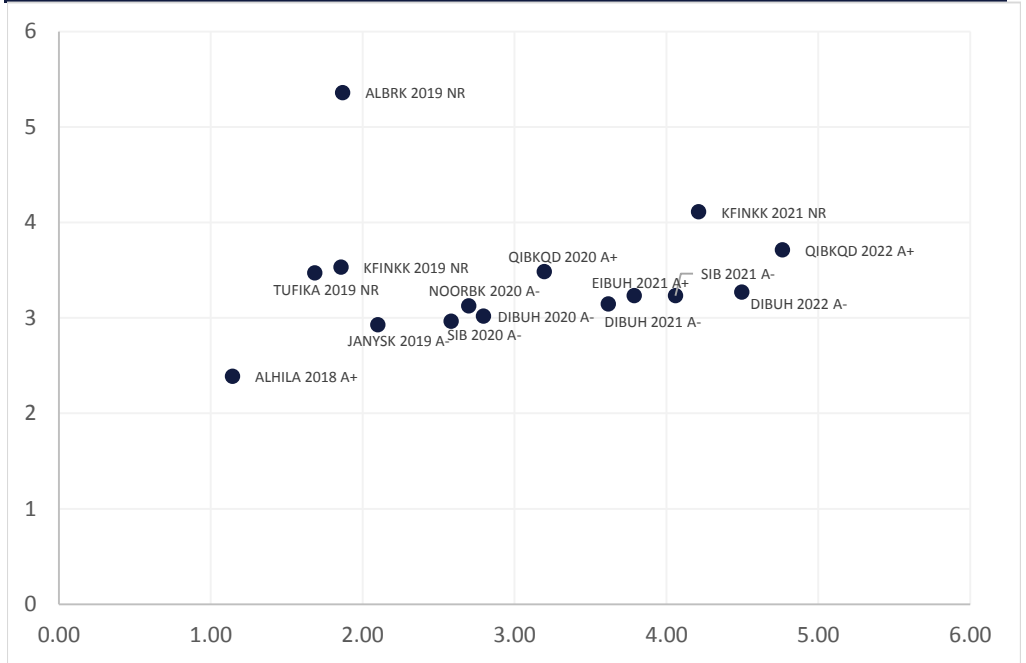
### Corporate sukuk universe



Source: Emirates NBD Research, Markit

3) In the financial space, QIBKQD 20s, rated A+, appear cheaper than NOORBK 20s at 2.7% and DIBUH 20s at 2.80% both rated A-.

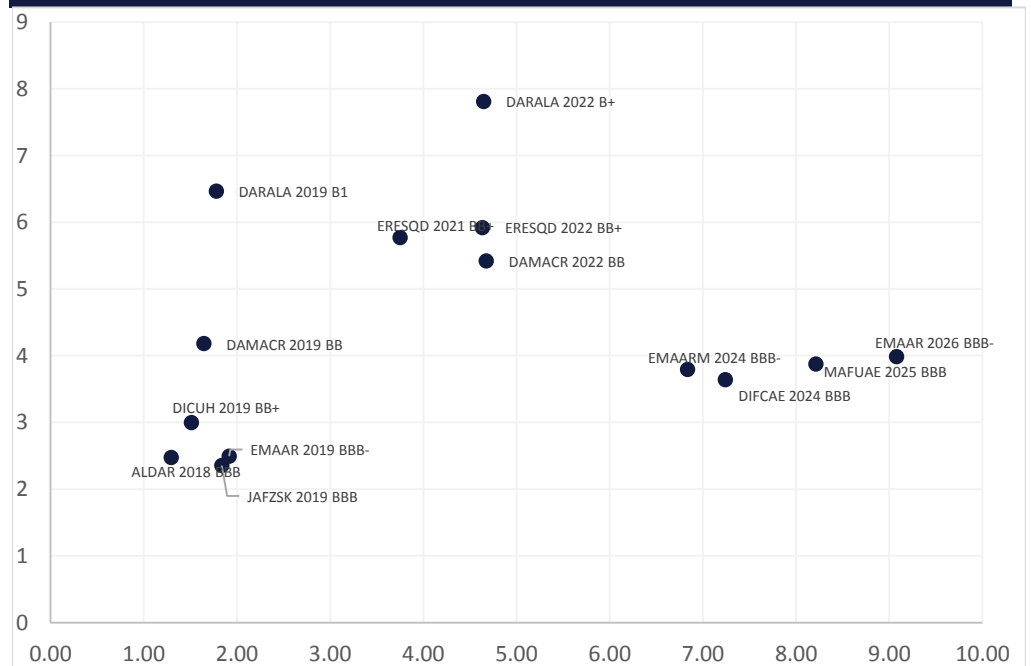
### Financial sukuk universe



Source: Emirates NBD Research, Markit

4) In the real estate space bonds issued by Qatar's Ezdan Holdings, rated BB+, appear cheap compared with similar rated counter parts in the real estate sector in GCC and Asia.

### Real Estate sukuk universe



Source: Emirates NBD Research, Markit

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