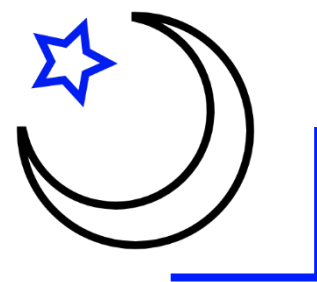


# SUKUK BULLETIN

POWERED BY SUKUK MONITOR ON REFINITIV™ EIKON



Q1 2021

## Sukuk issuance off to a solid start despite GCC slowdown

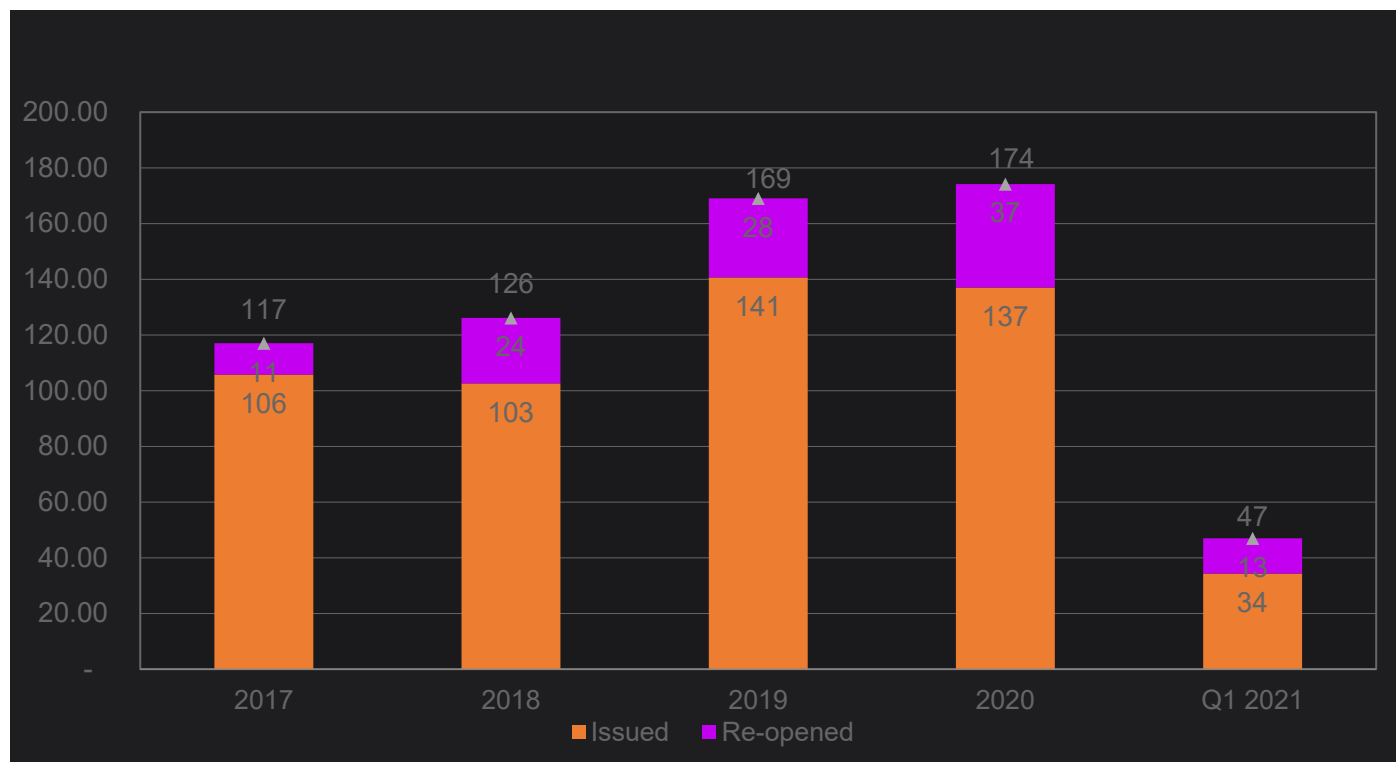
Sukuk issued during Q1 2021 reached \$47 billion, compared to \$41 billion in Q1 2020, marking a solid start to the year.

However, issuance declined from GCC countries, particularly the Saudi government, as oil-exporting economies remain on the path to recovery from the Covid-19 pandemic. Strengthening oil prices are likely to help these economies narrow their fiscal deficits over the near term. GCC governments collectively issued \$6.5 billion in sukuk in Q1 2021, compared to \$10.2 billion during Q1 2020.

The shortfall in GCC issuance was offset by a surge in Indonesian sovereign sukuk issued during Q1 as the government expanded its sukuk programme for 2021, aiming to issue over \$25 billion over the course of the year to fund its fiscal budget.

The Indonesian government raised a total of \$10.2 billion in sukuk in Q1, making it the top sukuk issuer for the quarter.

## Sukuk Historical Issuance 2017 – Q1 2021



Source | Sukuk Now app on REFINITIV™ EIKON

## Southeast Asia leads in sovereign sukuk issuance while Saudi Arabia falls behind

Growth in sovereign sukuk issuance surpassed that of corporates and quasi-sovereigns when compared to the first quarter 2020. This was a result of some governments issuing sukuk to strengthen their economies as they tackled the Covid pandemic. In all, nine countries issued sovereign sukuk during the first quarter.

As for governments, Indonesia was the biggest issuer, with \$10.2 billion in issuance during the quarter, compared with \$2.9 billion a year before. Malaysian government followed with a 27% increase to \$7.9 billion. Saudi Arabia, on the other hand, dropped into third rank with \$3.7 billion in sovereign sukuk issuance, after being first in Q1 2020 with \$ 7.1 billion.

Although Egypt did not issue sovereign sukuk during the quarter, the Egyptian government moved the industry forward with a request for an amendment to its Sovereign Sukuk Act that would make its sovereign sukuk available on the international market. This can be done by not requiring sovereign sukuk approval from the Egyptian Financial Regulatory Authority, but from an authorization from the parliament. This will allow the country to attract more international investment.

Corporates maintained a similar level of issuance in Q1 2021 as in the same quarter last year, at \$10 billion. Issuance was only from six countries, however, down from eight a year before. Most corporate sukuk issuers were based in Malaysia, with \$5.3 billion in issuance, followed by Turkey with \$2.4 billion and Saudi Arabia

with \$2.0 billion. First-time corporate issuers include Arabian Centres in Saudi Arabia and Takaful Oman. In all, financial institutions accounted for 81% of corporate issuance during the first quarter.

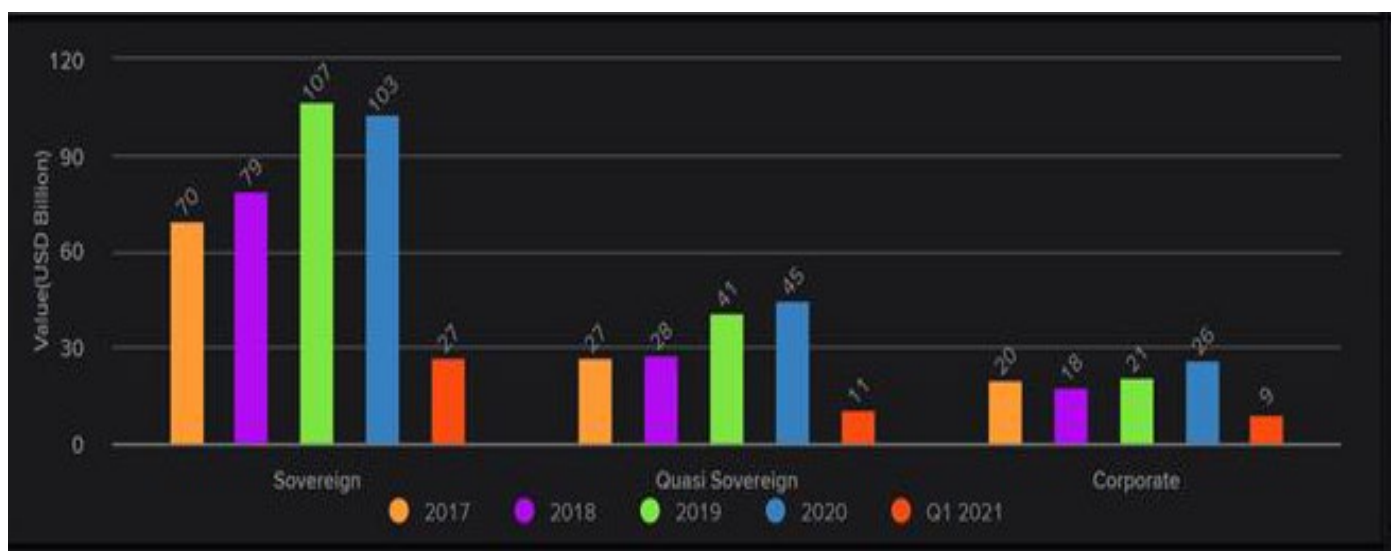
Quasi-sovereign issuances grew 7% in value to \$9.2 billion for Q1 2021 from \$8.6 billion a year before. The most active quasi-issuer remains Malaysia-based International Islamic Liquidity Management Corporation, with \$3.9 billion issued in Q1 2021, followed by Islamic Development Bank's \$2.5 billion sustainable sukuk. Other quasi-sovereigns issued during the period are based in Malaysia and Indonesia.

### League Table for Sukuk Lead Arrangers – Q1 2021

Bookrunner	Rank	Value (Mn\$)
Standard Chartered PLC	1	800.0
HSBC Holdings PLC	2	776.4
Goldman Sachs & Co	3	628.6
Citi	4	591.3
Emirates NBD PJSC	5	481.9

Source | Sukuk Now app on REFINITIV™ EIKON

### Sukuk Issuance by Issuer Type 2017 – Q1 2021



Source | Sukuk Now app on REFINITIV™ EIKON

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