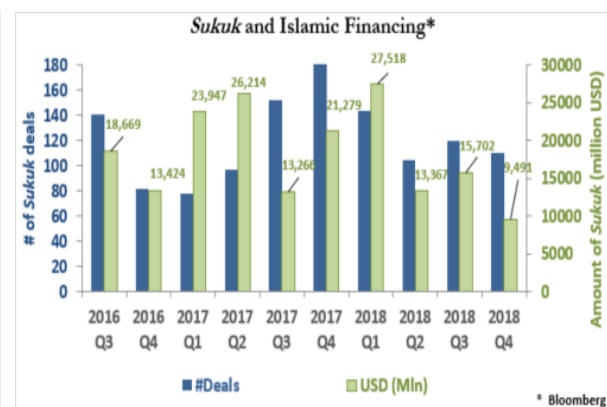
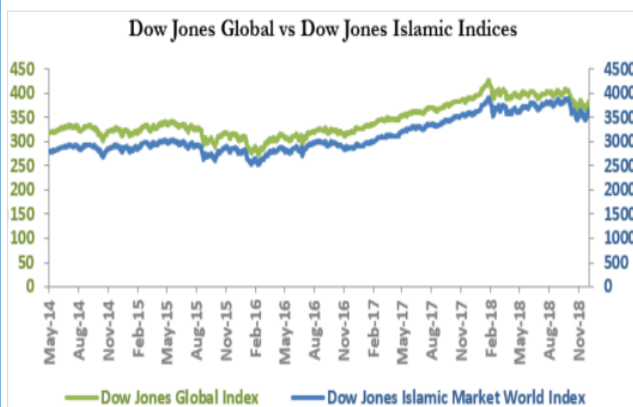
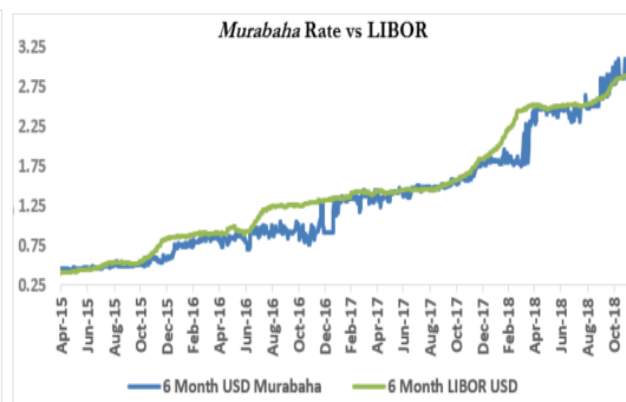
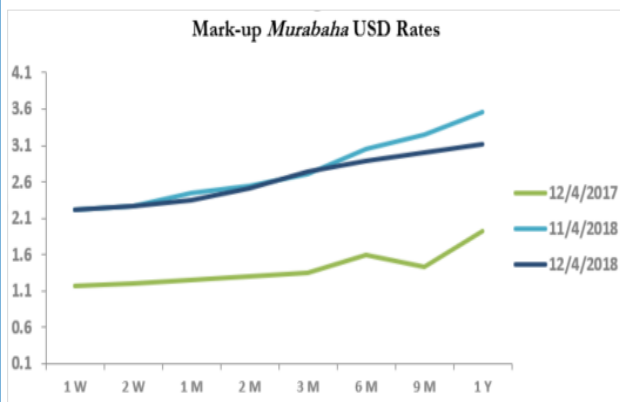


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	Value	MoM	QoQ	YoY
	12/4/18	11/4/18	9/4/18	12/4/17
Equity				
Dow Jones Islamic Index	3633.17	▲ 1.51%	▼ -5.20%	▲ 1.85%
Dow Jones Global Index	382.61	▲ 1.36%	▼ -4.63%	▼ -1.87%
MSCI Islamic Index	1297.93	▲ 1.06%	▼ -3.56%	▼ -1.24%
MSCI World Index	2066.62	▲ 1.47%	▼ -4.45%	▼ -0.16%
MSCI Emerging Market Index	1016.87	▲ 2.02%	▼ -2.24%	▼ -9.37%
Fixed Income				
LIBOR 6 Month	2.8946	▲ 0.066	▲ 0.356	▲ 1.202
<i>Murabaha</i> USD 6 Month	2.8946	▼ -0.155	▲ 0.425	▲ 1.292
Dow Jones <i>Sukuk</i> Index	98.55	▲ 0.32%	▼ -0.90%	▼ -4.00%



* Bloomberg

New Report Highlights Potential of Islamic Finance for Long-Term Development Financing

The Islamic Research and Training Institute (IRTI) of the Islamic Development Bank (IsDB) Group has published the second edition of the Global Report on Islamic Finance (GRIF), which highlights steps for unleashing the potential of Islamic finance to help harness the much-needed funds for long-term investment in development programs.

Subtitled "The Role of Islamic Finance in Financing Long-Term Investments", the report was launched during the 25th World Islamic Banking Conference in Bahrain.

The report presents global perspectives on the challenges of financing the 2030 global agenda for sustainable develop-

ment, and highlights the prospects of Islamic finance towards addressing the funding gap.

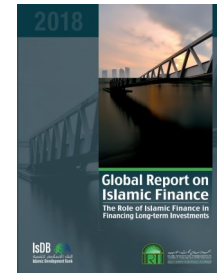
The series of Global Reports on Islamic Finance was launched in 2016 as a joint project of IsDB and the World Bank Group.

Source: [IRTI](#)

Please click on the cover photo below to download the report.



Photo Credit: salaamgateway.com



34th Meeting of COMCEC held in Istanbul

Istanbul hosted the 34th meeting of the Standing Committee for Economic and Commercial Cooperation of the Organisation of Islamic Cooperation (COMCEC).

The four day event, chaired by President Recep Tayyip Erdoğan, was held under the theme of "Facilitating Trade: Customs Risk Management."

The "Ministerial Session" organized within the scope of COMCEC's 34th meeting, whose opening session was chaired by President Erdoğan, was held on Nov. 28-29.

The member countries were represented by the delegations headed by ministers during the meeting held at the Istanbul Congress

Center. Prior to the aforementioned sessions, high-level experts held technical discussions on the issues on the agenda.

The ministerial meeting focused on "Facilitating Trade: Improving Customs Risk Management Systems in the Organisation of the Islamic Cooperation (OIC) Member States."

In the "Ministerial Exchange of Views" session chaired by Vice President Fuat Oktay, countries' experiences on customs risk management were shared, and what should be done to increase cooperation between Islamic countries were evaluated in detail.

Source: [Daily Sabah](#)



Photo Credit: aa.com.tr

ADFIMI and Jordan Islamic Bank held Joint Seminar on SME Finance

ADFIMI and Jordan Islamic Bank jointly held a regional seminar on "SME Finance & Development" in Amman, Jordan.

The important role of SMEs in a country's economy is a universally accepted fact of life. They create jobs, introduce innovative ideas, contribute to transborder transactions and to GDP growth. They should therefore be nurtured and taken care of by the governments to flourish and operate continuously for a stable and diversified economy.

ADFIMI, as a development forum tries to

keep abreast with the issues concerning the impediments to SMEs' development and finance by bringing it to the attention of NDFI community, especially to its member institutions.

Fatih Kazan, Acting Supervisor and Financial Sector Specialist at the World Bank made a presentation on Islamic finance as a catalyst for access to finance.

Source: [ADFIMI](#)



Photo Credit: adfimi.org

UK and Turkey Build Partnership on Islamic FinTech

Industry leaders from the UK and Turkey met in Istanbul at the UK Turkey Islamic FinTech Forum to discuss how to progress the opportunities presented by the rapid development of Islamic FinTech.

Hosted by The British Consulate-General in Istanbul, TheCityUK and Borsa İstanbul have convened a cross-national forum on FinTech and Islamic finance to share insights and expertise from the UK to help grow Turkey's Islamic finance sector and encourage further trade and investment between the two countries.

Recep Bildik, Business Development Director, Borsa İstanbul, said, "The Islamic finance sector is a rapidly expanding part of the global financial system. Currently, Sharia compliant assets make up just 1% of global financial assets, yet around one in four of the world's population is Muslim. There is clearly enormous potential

for further growth. We, as Borsa İstanbul are devoted to the development of the Islamic Financial Sector, especially for the Capital Markets."

Nicholas Cannon, Head, Economic & Prosperity Team, British Consulate Istanbul, said, "The British Government is proud to support this UK-Turkey Islamic Fintech Forum, in collaboration with TheCityUK and Borsa İstanbul. The UK financial services sector is already well represented in Turkey. Turkish companies have an increasingly strong presence in the United Kingdom. This gives us a solid platform to explore together new fields for joint working through these initiatives."

The UK Turkey Islamic FinTech Forum is part of an ongoing partnership between TheCityUK and Borsa İstanbul looking at the development of Fintech and opportunities for co-operation between the two countries.

Source: [TheCityUK](#)



Photo Credit: twitter.com

Saudi-based ICD Eyes Blockchain-based Tool for Islamic Banks

The Islamic Corporation for the Development of the Private Sector (ICD) plans to introduce a blockchain-based product to help Islamic banks manage their liquidity needs, the Saudi Arabia-based multilateral body said.

Islamic finance is increasingly looking to technology firms, or fintechs, to develop sharia-compliant products to expand into new markets as well as to grow in the industry's core centers of the Middle East and Southeast Asia.

The ICD, the private-sector arm of the Islamic Development Bank Group, signed

an agreement with Tunis-based I-FinTech Solutions to develop several financial technology tools.

The first product would be a commodity-based interbank market that would help conventional and Islamic banks to transact with each other, the ICD said.

Using blockchain for asset and liability management of Islamic banks would help them reduce costs, execution time and address issues related to transparency and traceability of transactions, the ICD said.

Source: [Reuters](#)



Photo Credit: reuters.com

Turkey's Emlak Bank to Start Operations as a Participation Bank

Turkey's Emlak Bank has applied for an operation licence and is expected to open its main branch and receive permission from the banking watchdog in 2019, Environment and Urbanisation Minister Murat Kurum said.

Speaking in parliament, Kurum also said

Emlak Bank would significantly contribute to a target of increasing the share of Islamic banking to 15 percent of the overall industry. He said the bank had started efforts to improve work in the construction and housing sectors.

Source: [Reuters](#)



Photo Credit: cnnturk.com

Islamic Financing Package Supports Development of Wind Farm in Jordan



Photo Credit: jordantimes.com

The International Finance Corporation (IFC) has set up a financing package to fund the construction of a wind farm in Jordan.

The package, of up to \$80 million, will support the 51.75-megawatt (MW) Arbour Wind Farm in the south of the country.

A development institution that focuses on the private sector in emerging markets, the IFC is a sister organization of the World Bank and a member of the World Bank Group.

To date, it has invested over \$300 million in Jordan to support clean energy. The financing package for the Arbour facility is made up of a \$28 million loan for the IFC's own account and mobilized parallel loans from the Islamic Development Bank.

The IFC said it had structured the deal in the form of an Islamic finance Ijara transaction. According to the World Bank, an Ijara transaction involves a bank purchasing an asset on behalf of a client, and then allowing use of that asset for a fixed rental fee.

Source: [CNBC](#)

London's Islamic Insurance Body Publishes Underwriter Guideline



Photo Credit: altairc.com

The Islamic Insurance Association of London (IIAL) said that it had launched a set of guiding principles covering sharia-compliant insurance, or takaful, seeking to address capacity constraints in the sector.

The IIAL, an industry group launched in 2015, said its framework would help underwriters to create their own Islamic windows, through which they would be able to deliver both sharia-compliant insurance and reinsurance cover.

The move would help London's insurance market to address a lack of capacity for takaful firms, which have their core markets in the Gulf and southeast Asia.

"The Principles have been designed to deliver a certainty to both those operating in the market and, more importantly, Islamic clients across the world," said IIAL Chairman Max Taylor.

"This is not only a huge opportunity for London to access new risks, and new markets, but also it has wider implications."

Takaful firms, which have their core markets in the Gulf and southeast Asia, held a combined \$46 billion worth of assets globally in 2017, according to Thomson Reuters data.

Source: [Reuters](#)

Bahrain Central Bank Considers New Guidance for Islamic Banks



Photo Credit: bankingfrontiers.com

Bahrain's central bank is considering guidance covering Islamic windows, investment accounts and whether to develop a benchmark rate for use by Islamic banks, a senior executive said in a report released on Tuesday.

Bahrain's regulator was the first to issue rules covering sharia-compliant banking and insurance, and its efforts are often followed by other jurisdictions seeking to promote the sector.

Bahrain's central bank has already tightened governance rules for Islamic banks, requiring them to undergo independent external audits, and introduced a more stringent framework for the sharia boards that vet their activities.

The regulator is now developing implementation guidelines for some of these compliance functions. The existing governance rules apply to fully-fledged Islamic banks but the central bank is considering whether to extend them to cover the Islamic units of conventional banks, which are commonly known as Islamic windows.

The central bank is also studying practices of Islamic retail banks regarding pool management and profit distribution to their depositors, known as investment account holders (IAHs).

Source: [Reuters](#)

Philippines gets Closer to Finalizing Legal Framework for Islamic Banking



Photo Credit: arabnews.com

The Philippines has moved a step closer to opening the country to the wide range of banking and other financial services available through Islamic banking and finance.

The move comes after the House of Representatives recently approved on second reading a proposed bill providing for the regulation and organization of Islamic banks in the Philippines.

In an emailed statement to Arab News, Congressman Henry Ong said the “eventual enactment of the (proposed) law would be one of the historic moments in Philippine banking history.”

The country’s first Islamic bank, according to the lawmaker, was created in 1972. “With this imminent new law, there will be more Islamic banks not just for Mindanao but also for the rest of the country,” said Ong, who is chairman of the House Committee on Banks and Financial Intermediaries.

Parallel to this bill’s movement through Congress, the Philippine Stock Exchange has its Shariah index of stocks on the PSE where some 60 securities are listed.

Ong noted that the establishment of more Islamic banks, especially those based here in Southeast Asia and in the Middle East, will greatly benefit the 10 million-plus Filipino Muslims, many of whom are “unbanked.”

He pointed out that this is so as the proposed measure will make available particularly to Filipino Muslims, “a vast array of banking, lending, and investment products and services. “Mindanao’s economy will reap great harvests because of this bill. Filipino Muslims in the Middle East and Southeast Asia would most likely be able to send more remittances to their families and friends. Businesses in Mindanao will have more financing options to grow,” Ong said.

Source: [Arab News](#)

Islamic finance in Afghanistan Growing, Investment Options Limited



Photo Credit: worldbank.org

Islamic banking in Afghanistan has nearly tripled its holdings since 2014, but is constrained by uneven profitability, limited investment options and few financing tools, the Islamic Financial Services Board (IFSB) said.

Afghanistan's banking sector is small, but Islamic finance is regarded as a feature that could help attract more people to the formal economy in a country where only 15 percent of adults have a bank account.

The country is now home to a full-fledged Islamic bank and six Islamic windows in conventional banks.

They held a combined 27.8 billion afghani

(\$365.5 million) at the end of the second quarter of this year, versus to 9.7 billion afghani at the end of 2014, data compiled by the IFSB showed.

The country's central bank granted its first Islamic banking licence in April to the Islamic Bank of Afghanistan.

Islamic windows grew their assets by 8.95 percent year-on-year as of the end of the second quarter, but profitability has remained uneven and most have large amounts of idle cash because there are few compliant investments available, the report noted.

Source: [Zawya](#)

Turkey Issues \$597mln Sukuk after Strong Demand



Photo Credit: aa.com.tr

Turkey's Treasury on November 20 said it issued a 3.2 billion lira (\$597 million) sukuk, rather than the 2 billion it had initially planned, citing strong demand from investors. The sukuk is lira-denominated with a 6-month periodic rent rate of 8.95 percent, maturing on Nov. 18, 2020, it said.

Following three preceding issuances concluded in February, June and September, this issuance brings the total amount of this year's domestic sukuk issuances by the Turkish Treasury to TRY 7.25 billion (\$1.5 billion).

Source: [Zawya](#)

New Publications

Global Report on Islamic Finance: The Role of Islamic Finance in Financing Long-term Investments	<u>Download Publication</u>
Bahrain Islamic Finance Report 2018: A Pioneer's Journey	<u>Download Publication</u>
Islamic Finance Development Report 2018	<u>Download Publication</u>
CFC Africa Insights—Islamic Finance in Africa : The Upcoming Frontier	<u>Download Publication</u>

Upcoming Events (Dec—Jan 2019)

World Bank - IRTI—INCEIF 4th Annual Symposium on Islamic Finance 2018	Kuala Lumpur, Malaysia	11 Dec 2018	<u>Event Details</u>
International Islamic Entrepreneurship and Business Conference 2018 (IIEBC 2018)	Malacca, Malaysia	22 Dec 2018	<u>Event Details</u>
2nd World Islamic Economics and Finance Conference (WIEFC 2019)	Lahore, Pakistan	5-6 Jan 2019	<u>Event Details</u>

Description of Data:

Dow Jones Sukuk Index: The Dow Jones Sukuk Index is designed to measure the performance of global Islamic fixed-income securities—also known as sukuk. The index includes U.S. dollar-denominated investment-grade sukuk issued in the global market that have been screened for Shari'ah compliance according to the index methodology. The index was created as a benchmark for investors seeking exposure to Shari'ah-compliant fixed-income investments. The Dow Jones Sukuk Index follows the same consistent, quantitative methodology as the Dow Jones Islamic Market™ (DJIM) Indices, which are monitored to ensure their continued adherence to Shari'ah principles.

Bloomberg USD Emerging Market Composite Bond Index: The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value weighted index engineered to measure USD fixed-rate securities issued in emerging markets as identified by Bloomberg. Emerging market issuers can be found at function EMWH. The major components of the index are the Bloomberg USD Emerging Sovereign Bond Index, Bloomberg USD Emerging Market Corporate Bond Index, Bloomberg USD Investment Grade Emerging Market Bond Index and Bloomberg USD High Yield Emerging Market Bond Index. To be included in the index a security must have a minimum par amount of 100MM.

LIBOR USD 6 Month: London - Interbank Offered Rate - ICE Benchmark Administration Fixing for US Dollar. The fixing is conducted each day at 11am & released at 11.45am (London time). The rate is an average derived from the quotations provided by the banks determined by the ICE Benchmark Administration. The top and bottom quartile is eliminated and an average of the remaining quotations calculated to arrive at fixing. The fixing is rounded up to 5 decimal places where the sixth digit is five or more.

Dow Jones Islamic Market World Index: The Dow Jones Islamic Market World Index is a global index of companies that meet Islamic investment guidelines. The index is quoted in USD.

Dow Jones Global Index: The index measures the performance of stocks that trade globally, targeting 95% coverage of markets open to foreign investment. It is float market cap weighted. It is quoted in USD.

MSCI World Islamic Index: The MSCI World Islamic Index is a free-float weighted equity index. It was developed with a base value of 1000 as of May 31 2007.

MSCI World Index: The MSCI World Index is a free-float weighted equity index. It was developed with a base value of 100 as of December 31, 1969. MXWO includes developed world markets, and does not include emerging markets.

MSCI Emerging Markets Index: The MSCI Em (Emerging Markets) Index is a free-float weighted equity index.

Bloomberg Takaful Index: Bloomberg Takaful Index is a capitalization-weighted index of all globally listed Takaful-recognised companies. Takaful is an Islamic term meaning mutual support, which is the basis of the concept of insurance or solidarity among Muslims. This is a form of insurance based on mutual assistance. The index was developed with a base level of 100 as of April 15, 2009

Murabaha Deposit Rates: Murabaha Deposit An agreement that refers to the sale and purchase transaction for the financing of an asset or project whereby the costs and profit margin (mark-up) are made known and agreed by all parties involved. The settlement for the purchase, which can be done in cash or in installments, will be specified in the agreement. Use all prices available in the terminal and updated within the last three working days. Banks that do not price for more than 3 days are excluded from the daily calculation. Islamic Market Reference Rate is calculated by Bloomberg using contributed rates from several local and international banks. Reference rates are calculated by taking the average bid & ask of the contributing banks, after eliminating the 4 highest and 4 lowest values.

Glossary Of Key Terms

<i>Ijara</i>	This is a lease contract wherein the Bank (lessor) leases the property to the customer (lessee) in return for a rental payment for a specified financing period. The Bank promises to transfer the title of the property to the customer at the end of the
<i>Mudaraba</i>	Trustee finance contract: One party contributes capital while the other contributes effort or expertise; profits shared according to a predetermined ratio; investor not guaranteed a return and bears any financial loss; no fixed annual payment; financier has no control on how venture is managed.
<i>Murabaha</i>	Sale with agreed mark-up: Financing purchase of assets for a profit margin; asset purchased on behalf of client and resold at a pre-determined price; payment could be lump sum or in installments; ownership of asset remains with bank till full payments made
<i>Musharaka</i>	Partnership; equity participation contract: Both parties contribute capital; profits shared by a pre-determined ratio, not necessarily in relation to contributions; losses shared in proportion to capital contributions; both parties share and control how investment is managed; each partner liable for the actions of the other
<i>Shari'ah Board</i>	An independent body set up by an Islamic bank with the mandate of ensuring that the Islamic bank achieves and maintains the mandate of <i>Shari'ah</i> compliance.
<i>Sukuk</i>	An Islamic financial certificate, similar to a bond in Western finance, that complies with <i>Shari'ah</i> , Islamic religious law. Because the traditional Western interest paying bond structure is not permissible, the issuer of a <i>sukuk</i> sells an investor group the certificate, who then rents it back to the issuer for a predetermined rental fee. The issuer also makes a contractual promise to buy back the bonds at a future date at par value.
<i>Salam</i>	<i>Salam</i> is a sale whereby the seller undertakes to supply some specific goods to the buyer at a future date in exchange of an advanced price fully paid at spot. The contract of <i>Salam</i> creates a moral obligation on the <i>Salam</i> seller to deliver the goods. The <i>Salam</i> contract cannot be cancelled once signed.
<i>Takaful</i>	The term ' <i>takaful</i> ' is derived from an Arabic word which means solidarity, whereby a group of participants agree among themselves to support one another jointly against a defined loss. In a <i>takaful</i> arrangement, the participants contribute a sum of money as wholly or partially <i>tabarru'</i> (donation) into a common fund, which will be used for mutual assistance for the members against a defined loss or damage, according to the terms and conditions of the <i>takaful</i> .
<i>Istisna'</i>	<i>Istisna'</i> is the kind of sale where a commodity is transacted before it comes into existence. It means to order a manufacturer to manufacture a specific commodity for the purchaser. If the manufacturer undertakes to manufacture the goods for him with material from the manufacturer, the transaction of <i>istisna'</i> comes into existence. But it is necessary for the validity of <i>istisna'</i> that the price is fixed with the consent of the parties and that necessary specification of the commodity (intended to be manufactured) is fully settled between them.
<i>Wakala</i>	<i>Wakala</i> is the agency contract which is used widely in Islamic Finance. The applications ranging from brokerages services in permissible activities, like certain stocks, as well as to be the agent in a <i>Murabaha</i> transaction. The client, who wants to be financed, acts as agent of the bank to acquire the asset, then sold to him on credit installments. Agents can be compensated for their assignment with a fixed, variable or performance model, which is frequently used to influence pay outs and cash flows in financial engineering.

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