

GCC Trading Activity Quarterly Report - Q4-2024

Foreigner's remain net buyers of GCC stocks in Q4-2024...

Foreign investors, including institutional and retail investors, were net buyers on GCC stock markets during Q4-2024 with net buying at USD 3.0 Bn as compared to USD 3.7 Bn in net buying by foreigners during Q3-2024. The trend remained positive since the start of the year with consecutive buying by foreign investors during 2024. Some of the key factors that supported the flow of foreign money in the region included regional market trends, IPOs, economic health of individual countries and crude oil prices.

The quarterly data of trading activity on GCC exchanges indicated that most of these exchanges experienced net buying from foreign investors during Q4-2024, barring Qatar and Oman that showed foreigners as net sellers to the tune of USD 603.6 Mn during the quarter, partially offsetting the overall net buy trades. Foreign investors were the biggest buyers of UAE stocks during Q4-2024, with net buying reaching USD 2.4 Bn, an increase from USD 2.0 Bn in the preceding quarter.

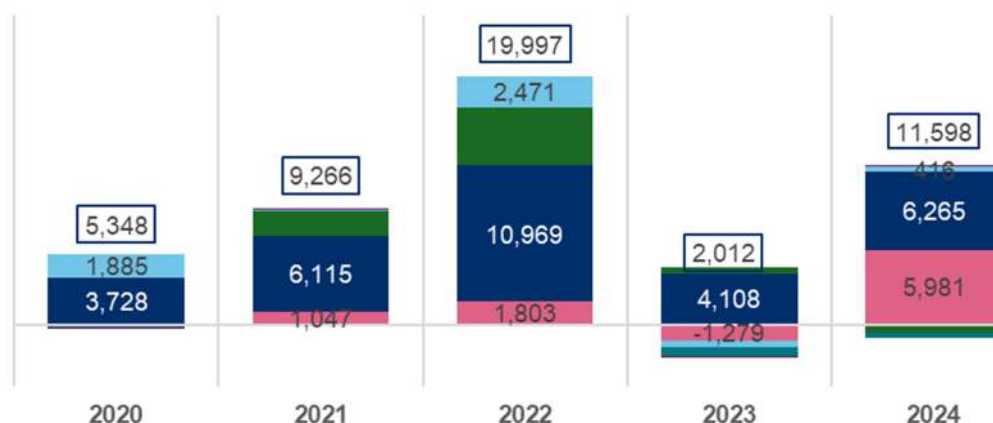
Saudi Arabia was next with net buy trades of USD 1.1 Bn by foreign investors, while the Kuwait exchange recorded net buy trades of USD 156.5 Mn. Meanwhile, the CMA of Saudi Arabia has disclosed its strategic plan for the period of 2024-2026, which intends to facilitate the continued development of the Kingdom's financial market. The plan comprises of over 40 initiatives, aiming to establish the capital market as a fundamental component of the national economy, aligning with Vision 2030. The CMA's approach is structured around three essential pillars. The first pillar focuses on developing sukuk and debt instruments to attract more international investment. The second pillar prioritizes providing support to financial market institutions by fostering fintech innovation. The third pillar emphasizes the safeguarding of investors' rights through enhanced transparency and improved supervisory frameworks.

Data for Bahrain showed net buying at USD 1.1 Mn for Q4-2024. Bahrain Bourse (BHB) has officially announced the initiation of its Comprehensive Trading Incentive Scheme, set to commence on 2nd February 2025. This initiative is a fundamental component of the Financial Services Sector Development Strategy (2022-2026), designed to improve market participation and stimulate liquidity, through innovative incentive structures.

Historical trend for trading by foreigners in GCC listed stocks showed declines merely in two quarters over the last five years. Foreigners bought the most stocks during Q1-2022 with net buy transactions of USD 11.0 Bn, reflecting steep increase in buying mainly in Saudi Arabia and Qatar.

Net Trades by Foreign Investors in GCC - USD Mn

■ UAE ■ Saudi Arabia ■ Qatar ■ Kuwait ■ Oman ■ Bahrain ■ Total GCC



Sources : GCC Stock Exchanges, Bloomberg, Kamco Invest Research.

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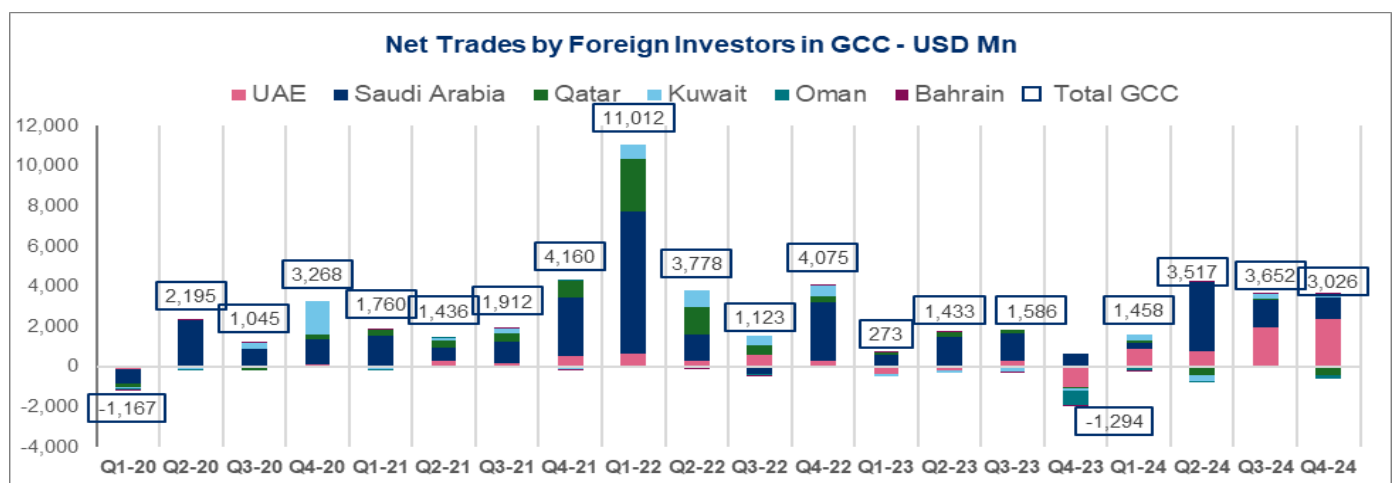
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The yearly trend indicated sustained positive activity from foreign investors in GCC exchanges throughout 2024, marked by a substantial rise in total purchasing activity. Foreign investors emerged as net buyers, experiencing an impressive increase, with net purchases amounting to USD 11.6 Bn in 2024, a significant rise from USD 2.0 Bn in 2023. This represented the highest total net buying by foreign investors in over two years. Aggregate buying by foreign investors over the last five years stood at USD 48.2 Bn with 2022 being the year with the biggest net buying by foreign investors to the tune of USD 20.0 Bn.

In terms of trading activity on individual exchanges, the Saudi exchange witnessed the biggest net buying by foreign investors during 2024 at USD 6.3 Bn followed by Abu Dhabi exchange and Dubai exchange at USD 5.4 Bn and USD 572.5 Mn, respectively. Boursa Kuwait was next with the exchange also seeing consecutive buying by foreigners during the year with USD 415.8 Mn followed by Bahrain with USD 33.6 Mn. On the other hand, Qatar exchange recorded the biggest net sales by foreign investors during the year at USD 690.7 Mn followed by Oman with net sale at USD 406.8 Mn. To attract more foreign investors, Qatar is planning to introduce three significant laws: a bankruptcy law, a public-private partnership law, and a new commercial registration law. As per the announcements, the government is evaluating 27 laws and regulations from 17 ministries, which is expected to impact over 500 activities. The drafting of the bankruptcy and public-private partnership laws is projected to be completed by the end of March 2025. Qatar has set a target of attracting USD100 Bn in foreign direct investment (FDI) by the year 2030.

GCC investors

GCC investors in other GCC exchanges were net sellers during 2024. Trading by GCC investors (Excluding Abu Dhabi, Bahrain due to unavailability of data) in GCC exchanges showed net selling during Q4-2024. Net sell trade of GCC investors reached USD 343.9 Mn in 2024 compared to a net buy trade of USD 135.2 Mn in 2023. Saudi Arabia Exchange witnessed the biggest net buying by GCC investors during 2024 at USD 649.1 Mn followed by UAE exchange at USD 108.4 Mn. On the other hand, Qatar, Kuwait and Oman exchanges recorded the biggest net sales by GCC investors in 2024 partially offsetting the overall buying by GCC investors. In terms of monthly trend during 2024, aggregate trading activity by GCC Investors on other GCC exchanges peaked during June-2024 and hit the lowest trading month in February-2024.



Sources : GCC Stock Exchanges, Bloomberg, Kamco Invest Research.

In terms of the aggregate trading activity, total GCC volume traded increased by 50.2% y-o-y to reach 347.8 Bn shares in FY-2024 as compared to 231.6 Bn shares in FY-2023. All the GCC Exchanges reported a y-o-y increase in volume during the year barring Qatar. Saudi Arabia topped the list with a gain of 108.5% to record 103.4 Bn in FY-2024 compared to 49.6 Bn in FY-2023, followed by Kuwait with 75.9% to record 68.5 Bn in FY-2024 vs. 38.9 Bn in FY-2023. On the other hand, Qatar declined by 13.2%.

Similarly, the total value of shares traded during FY-2024 also reported a broad based gain in the region, barring Qatar. Aggregate value traded reached USD 690.2 Bn in FY-2024 vs. USD 522.4 Bn in FY-2023. Saudi Arabia reported the biggest increase in trading activity with value traded increasing from USD 347.7 Bn in FY-2023 to USD 494.7 Bn in FY-2024 resulting in a share of 71.7% vs. 66.6% in FY-2023. Trading activity on the Qatar Exchange declined y-o-y from USD 34.2 Bn in FY-2023 to USD 29.3 Bn in FY-2024.



Sources : Bloomberg, Kamco Invest Research.

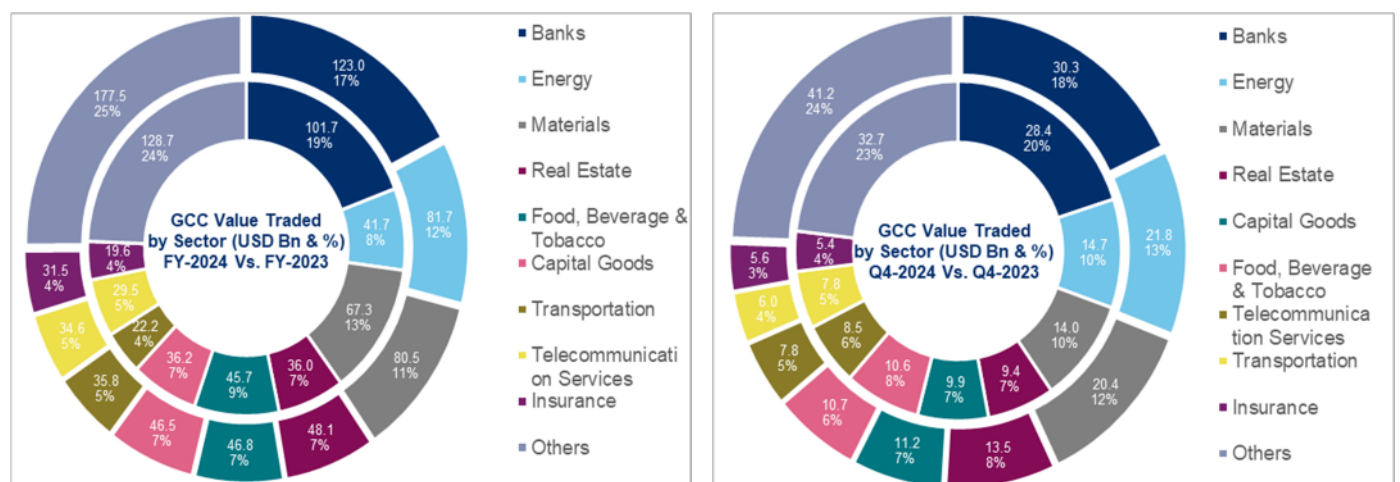
Top 10 GCC Stocks by Trading value

Nine Saudi-based stocks ranked among the top 10 most traded GCC stocks by trading value in 2024. The aggregate traded value of the top 10 listed stocks in the GCC stood at USD 162.6 Bn, accounting for 23.0% of the total value traded on the GCC exchanges during the year. Saudi Aramco topped the list by recording USD 43.4 Bn in trades followed by Al Rajhi Bank at USD 25.7 Bn. Notably, International Holding Co. was the only non-Saudi stock included, with a total traded value of USD 19.8 Bn for the FY-2024.

In terms of quarterly performance, the aggregate traded value of the top 10 listed stocks in the GCC stood at USD 48.0 Bn, accounting for 28.4% of the total value traded on the GCC exchanges. Saudi Arabian Oil Co (Aramco) topped the list by recording USD 8.4 Bn in trades followed by Fertigllobe and Al-Rajhi Bank at USD 7.5 Bn and USD 7.2 Bn, respectively.

GCC Value Traded - Key Sector Contribution

The Banking sector accounted for the biggest share of value traded in the GCC with an increase of 20.9% to reach USD 123.0 Bn in 2024 from USD 101.7 Bn in 2023. Within the Banking sector, Al-Rajhi Bank topped with USD 25.7 Bn worth of traded shares during the FY-2024 followed by the Saudi National Bank and Alinma Bank at USD 12.5 Bn and USD 11.5 Bn worth of traded shares, respectively. Energy, Materials and Real Estate sectors also contributed to total value growth during the year. All the sectors reported a y-o-y increase in traded value, except for two sectors that recorded declines. The sectors that saw a decrease include Technology Hardware and Equipment sector which fell by 12.8% and Consumer Services sector which declined by 3.1%.



Sources : Bloomberg, Kamco Invest Research, Reuters. **Note:** Inner ring indicates data for 2023 and outer ring indicates data for 2024.

Similarly, in Q4-2024, the total value of the shares traded also increased and was largely broad based. Most of the sectors reported an increase in the total value traded during this quarter. The aggregate value reached USD 168.6 Bn in Q4-2024, compared to USD 141.4 Bn in Q4-2023, up by 19.3%. The key sectors that contributed to the Q4-2024 performance include Banks, Energy and Materials, which saw an increase of 6.7%, 48.8% and 45.5%, respectively.

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