

GCC Trading Activity Quarterly Report - Q1-2024

Foreign investors were back in GCC in Q1-2024...

Foreign investors, including institutional and retail investors, were net buyers on GCC stock markets during Q1-2024 with net buying at USD 1.5 Bn as compared to USD 1.3 Bn in net selling during Q4-2023. The trend remained positive since the start of the year with consecutive buying by foreign investors during the first three months of the year. The biggest buying was seen in UAE listed stocks with both Abu Dhabi and Dubai exchanges witnessing consecutive buying during each of the three months during Q1-2024, aggregating total net buying of USD 888.4 Mn. Boursa Kuwait was next with the exchange also seeing consecutive buying by foreigners during the three months of the quarter with USD 334.9 Mn.

On the other hand, Saudi Arabia and Qatar witnessed net sell trades by foreign investors during January-2024 followed by net buy trades during the remaining two months. Oman and Bahrain were the only exchanges in the GCC that witnessed net sale by foreign investors during the quarter. Data for Oman showed net buying only during January-2024 followed by net sale during the remaining two months. In the case of Bahrain, the net sale was minimal at USD 1.9 Mn during Q1-2024.

Some of the key factors that affected the flow of foreign money in the region included regional market trends, IPOs, geopolitical issues, economic health of the individual countries and crude oil prices. **The quarter saw mixed trend in the equity market that favored gainers as five out of seven exchanges reported gains during Q1-2024. The expectations related to global interest rate changes also steered performance in the region. However, the seasonal selling pressure during the month of Ramadan resulted in a decline in the market during March-2024. As a result, local investors were net sellers during the month and these shares were grabbed by foreign investors resulting in a broad-based net buy trades by the latter.**

In terms of m-o-m performance, net buying value by foreign investors peaked during February-2024 with aggregate monthly net buying at USD 678.4 Mn. March witnessed a decline with net buying at USD 582.0 Mn while January registered the smallest net buying at USD 199.4 Mn.

Historical trend for trading by foreigners in GCC listed stocks showed declines merely in two quarter 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.

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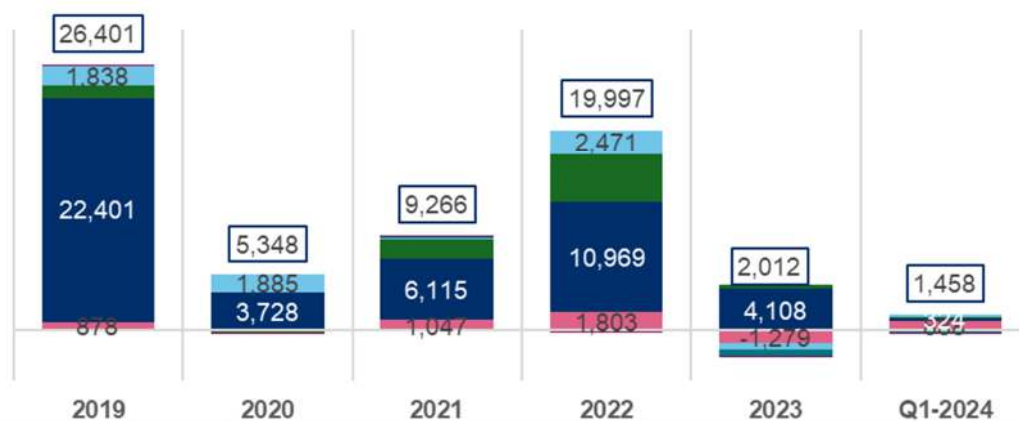
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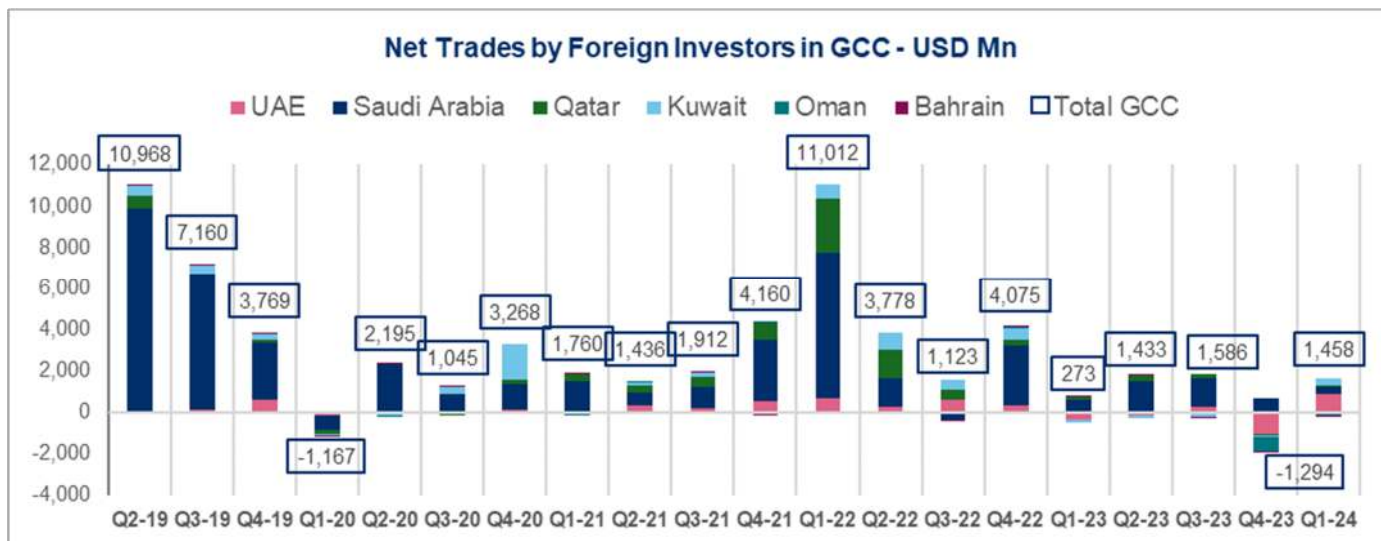
Net Trades by Foreign Investors in GCC - USD Mn

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



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

Trading by GCC investors in GCC exchanges showed net sales during Q1-2024. Net sale trades of GCC investors reached USD 414.6 Mn compared to a net sale trades of USD 570.7 Bn in Q4-2023. Oman witnessed the biggest net selling by GCC investors during Q1-2024 at USD 141.7 Mn closely followed by Saudi Exchange and Dubai exchanges at USD 140.2 Mn and USD 120.9 Mn, respectively. On the other hand, Abu Dhabi exchange recorded the biggest net buying by GCC investors in Q1-2024 partially offsetting the overall selling by GCC investors.



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

In terms of the aggregate trading activity, total GCC volume traded during q-o-q gained by 35.9% to reach 80.6 Bn shares in Q1-2024 as compared to 59.3 Bn shares in Q4-2023. Saudi Arabia topped the list with a gain of 68.5% to record 24.1 Bn in Q1-2024 compared to 14.3 Bn in Q4-2023, followed by Abu Dhabi with 61.5% to record 18.3 Bn in Q1-2024 vs. 11.4 Bn in Q4-2023. Qatar, on the other hand, declined from 11.5 Bn in Q4-2023 to 10.5 Bn in Q1-2024.

Similarly, the total value of shares traded during Q1-2024 also reported a gain and was largely broad based. Qatar, Bahrain and Oman declined in value traded while the rest of the markets gained during Q1-2024. Aggregate value traded reached USD 202.0 Bn in Q1-2024 vs. USD 137.5 Bn in Q4-2023. Saudi Arabia reported the biggest increase in trading activity with value traded increasing from USD 93.6 Bn in Q4-2023 to USD 154.5 Bn in Q1-2024 resulting a share of 76.5% vs. 68.0% in Q1-2023. Trading activity on the Qatar Exchange declined q-o-q from USD 9.0 Bn in Q4-2023 to USD 8.8 Bn in Q1-2024.

Top 10 GCC Stocks by Trading value

Nine Saudi-based stocks ranked among the top 10 most traded GCC stocks by trading value in Q1-2024. Aggregate traded value of the top 10 listed stocks in the GCC stood at USD 41.7 Bn, accounting for 20.6% of the total value traded on the GCC exchanges during the year. Saudi Arabian Oil Co (Aramco), topped the list by recording USD 7.7 Bn in trades followed by Al Rajhi Bank at USD 6.3 Bn and Sal Saudi Logistics Services at USD 6.1 Bn. Abu Dhabi's International Holding Co. was the only non-Saudi stock in the list with a quarterly traded value coming in at USD 3.7 Bn during Q1-2024.



Sources : Bloomberg, Kamco Invest Research.

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