

GCC Trading Activity Quarterly Report - Q2-2024

Foreigner's remain net buyers of GCC stocks...

Foreign investors, including institutional and retail investors, were net buyers on GCC stock markets during Q2-2024 with net buying at USD 3.5 Bn as compared to USD 1.5 Bn in net buying during Q1-2024. The trend remained positive since the start of the year with consecutive buying by foreign investors during the 1H-2024 of the year. The biggest buying was seen in Saudi Arabia with total net buying of USD 3.5 Bn. UAE was next with Abu Dhabi exchange also seeing consecutive buying by foreigners that reached USD 766.6 Mn in Q2-2024. Meanwhile, foreign investors were biggest sellers of Qatari stocks with net sales of USD 430.7 Mn during the quarter as compared to USD 67.1 Mn in net buy trades during the previous quarter. Kuwait was next with net sales of USD 296.0 Mn by foreigners followed by Oman and Dubai exchanges with net sales of USD 44.9 Mn and USD 25.4 Mn, respectively. Data for Bahrain showed net buying at USD 43.3 Mn, the highest level seen in 20 quarters during Q2-2024.

That said, the monthly trend showed Saudi Arabia and UAE witnessed net sell trades by foreign investors during April-2024 followed by net buy trades during the remaining two months. On the other hand, Qatar, Oman, and Bahrain exchanges witnessed net sales by foreign investors during the quarter.

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 and skewed towards decliners as four out of seven exchanges reported declines during Q2-2024. The expectations related to global interest rate changes also steered performance in the region. However, the seasonal selling pressure during the Eid Holidays resulted in a decline in the market during Q2-2024. 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.

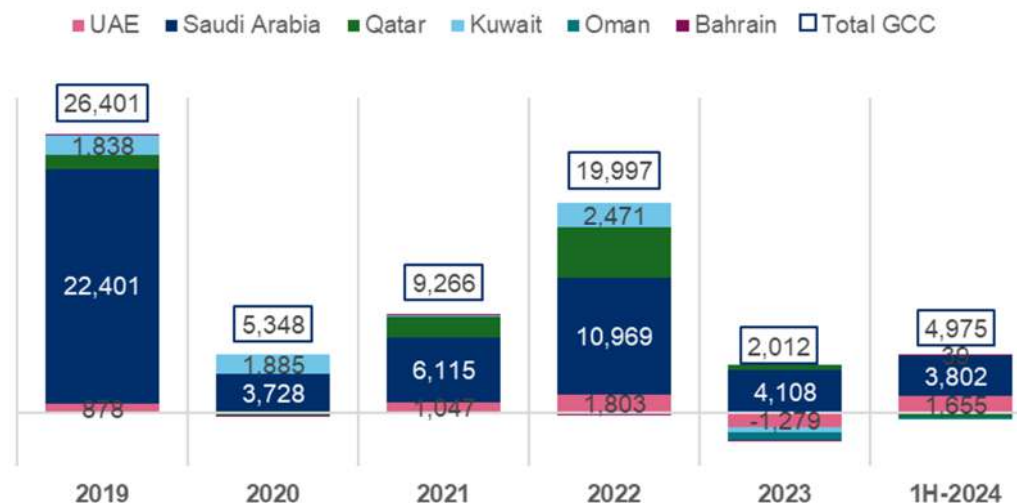
In terms of m-o-m performance, net buying value by foreign investors peaked during June-2024 with aggregate monthly net buying at USD 3.2 Bn. May witnessed a decline with net buying at USD 596.5 Mn while April registered the net selling at USD 332.3 Mn.

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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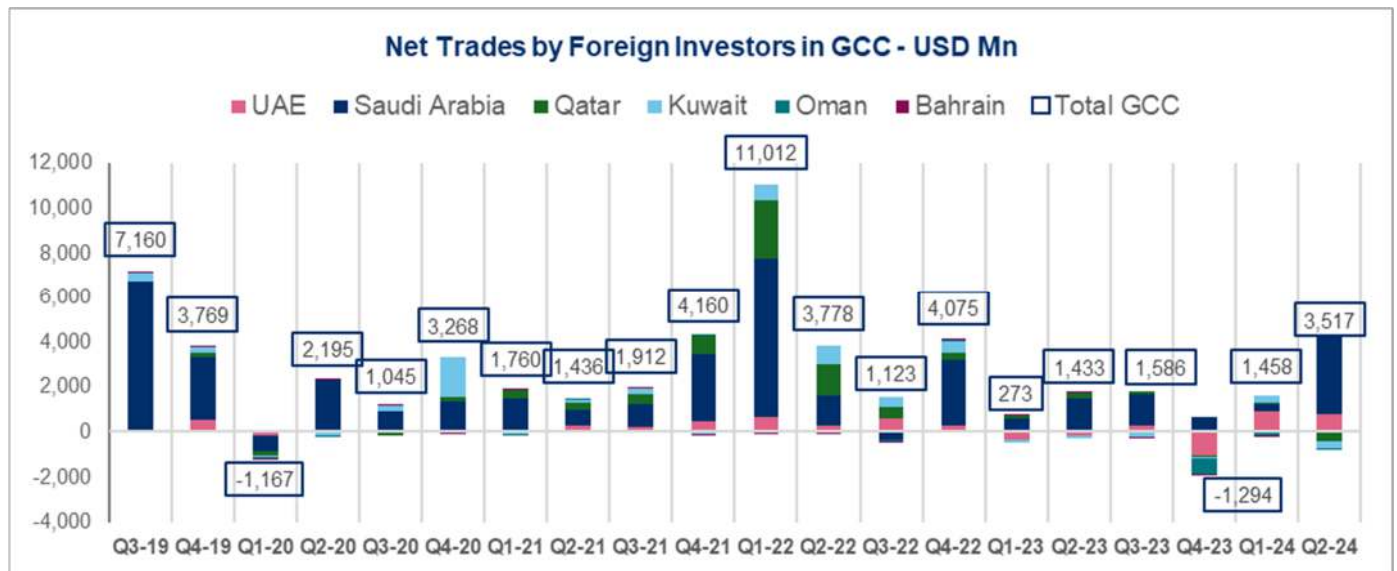
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Net Trades by Foreign Investors in GCC - USD Mn



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

Trading by GCC investors (Excluding Bahrain due to unavailability of data) in GCC exchanges showed net buying during Q2-2024. Net buy trades of GCC investors reached USD 709.0 Mn in Q2-2024 compared to a net sale trade of USD 414.6 Mn in Q1-2024. Saudi Exchange witnessed the biggest net buying by GCC investors during Q2-2024 at USD 887.5 Mn followed by UAE exchanges at USD 285.8 Mn. On the other hand, Kuwait, Qatar and Oman exchanges recorded net sales by GCC investors in Q2-2024 partially offsetting the overall buying by GCC investors. In terms of monthly trend during Q2-2024, aggregate trading activity by GCC Investors on GCC exchanges peaked during June-2024 and hit the lowest trading month in May-2024.



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

In terms of the aggregate trading activity, total GCC volume traded declined by 14.0% q-o-q to reach 69.3 Bn shares in Q2-2024 as compared to 80.6 Bn shares in Q1-2024. All the GCC Exchanges reported a q-o-q decline in volume during the quarter barring Dubai and Bahrain. Dubai topped the list with a gain of 4.1% to record 11.7 Bn in Q2-2024 compared to 11.3 Bn in Q1-2024, followed by Bahrain with 171.6% to record 0.5 Bn in Q2-2024 vs. 0.18 Bn in Q1-2024. On the other hand, Saudi Arabia and Abu Dhabi declined by 27.8% and 12.5% Bn in Q2-2024, respectively.

Similarly, the total value of shares traded during Q2-2024 also declined and was largely broad based. Bahrain was the only market that showed a gain in value traded while the rest of the markets declined during the quarter. Aggregate value traded reached USD 158.0 Bn during the Q2-2024 vs. USD 202.0 Bn in Q1-2024. Bahrain reported the biggest increase in trading activity with value traded increasing from USD 0.16 Bn in Q1-2024 to USD 0.19 Bn in Q2-2024. Trading activity on the Saudi Exchange declined during the year from USD 154.5 Bn in Q1-2024 to USD 117.5 Bn in Q2-2024, similarly its share in aggregate GCC trading activity decreased from 76.5% in Q1-2024 or to 74.4% in Q2-2024.

Top 10 GCC Stocks by Trading value

Nine Saudi-based stocks ranked among the top 10 most traded GCC stocks by trading value in Q2-2024. Aggregate traded value of the top 10 listed stocks in the GCC stood at USD 49.3 Bn, accounting for 31.2% of the total value traded on the GCC exchanges during the Q2-2024. Saudi Arabian Oil Co (Aramco) topped the list by recording USD 20.1 Bn in trades followed by Al Rajhi Bank at USD 6.2 Bn and ACWA power Co. at USD 3.7 Bn. International Holding Co. was the only non-Saudi stock in the list with a quarterly traded value coming in at USD 3.2 Bn during Q2-2024.



Sources : Bloomberg, Kamco Invest Research.

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