

GCC Trading Activity Quarterly Report - Q2-2025

Foreigner's remain net buyers of GCC stocks for six consecutive quarters...

Foreign investors, including institutional and retail investors, were net buyers on GCC stock markets during Q2-2025 with net buying at USD 4.2 Bn as compared to USD 2.8 Bn in net buying during Q1-2025. The trend remained positive, with buying recorded in four months and net selling in two months during the 1H-2025 to reach USD 7.0 Bn vs USD 5.0 Bn in 1H-2024 up by 39.8% y-o-y. The biggest buying was seen in Saudi Arabia with total net buying of USD 1.40 Bn. UAE was next with Abu Dhabi exchange also seeing consecutive buying by foreigners that reached USD 1.33 Bn in Q2-2025. Kuwait was next with net buy of USD 696.5 Mn by foreigners followed by Dubai and Qatar exchanges with net buy of USD 462.0 Mn and USD 333.6 Mn, respectively. Meanwhile, foreign investors were biggest sellers of Omani stocks with net sales of USD 29.6 Mn during the quarter followed by USD 459.2 Mn in net sell trades during the previous quarter. Data for Bahrain showed net selling at USD 27.9 Mn for Q2-2025.

The 1H-2025 data of trading activity on GCC exchanges indicated that net buying at the aggregate level, although the trend differed at the country level due to net sales during Q1-2025 for some of the exchanges. The 1H-2025 showed foreign investors as net sellers for Qatar, Oman and Bahrain to the tune of USD 580.7 Mn, partially offsetting the overall net buy trades. Foreign investors were the biggest buyers of UAE stocks during 1H-2025, with net buying reaching USD 4.5 Bn followed by Saudi Arabia and Kuwait at USD 1.6 Bn and USD 1.4 Bn, respectively. Recently, Saudi Arabia's Capital Market Authority (CMA) has announced a landmark regulatory shift by opening the Kingdom's main stock exchange, the Tadawul, to direct investment by Gulf Cooperation Council (GCC) citizens and residents. For the first time, these investors can access the market without intermediaries significantly easing market access for regional investors, including current and former residents of Saudi Arabia and other GCC countries. These reforms are expected to promote the openness of the Saudi market internationally, while at the same time building long-term investment relationships with wider segments of investors around the world.

Meanwhile, the monthly trend (Excluding Bahrain due to unavailability of data) data showed Boursa Kuwait, Dubai, Abu Dhabi and Qatar witnessed consecutive buying by foreigners during the three months of the quarter. Conversely, Saudi Arabia recorded net selling by foreign investors during the April-2025, which was followed by net buying in the next two months. Oman was the only exchange in the GCC that witnessed net sale by foreign investors during all the three months of 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.

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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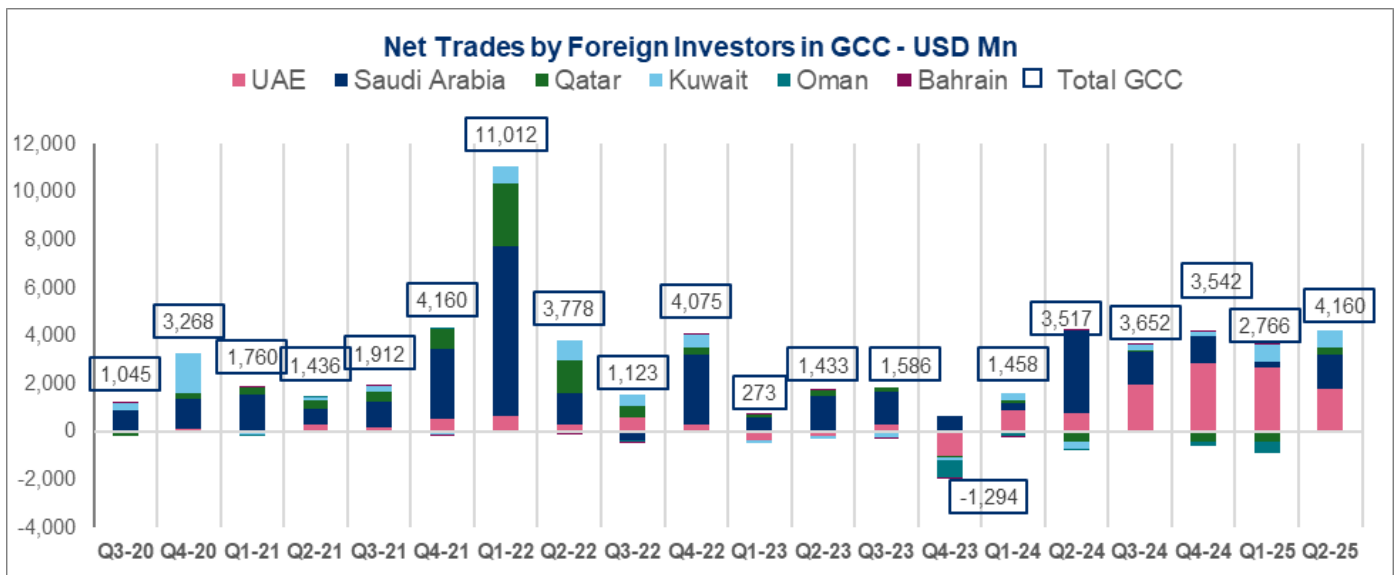
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The quarter saw a mixed trend in the equity market that favored gainers as five out of seven exchanges reported gains during Q2-2025. Investors remained cautious as the U.S. Federal Reserve is widely expected to keep interest rates unchanged, opting to assess the potential impact of newly announced tariffs on inflation and overall price pressures. Investors are also seeking clarity on the direction of U.S. trade policy, following U.S. President's latest round of tariff threats. The U.S. government recently announced a 30% tariff on imports from both Mexico and the European Union, set to take effect on August 1, 2025 in addition to the 35% duty on Canadian imports, also beginning on the same date. In addition, U.S. government has proposed raising the baseline tariff rate on goods from other countries from 10% to a range of 15%–20%.

In terms of m-o-m performance, net buying value by foreign investors peaked during June-2025 with aggregate monthly net buying at USD 2.4 Bn. In the month of May-2025 registered net buying at USD 1.9 Bn, while April witnessed a decline with net selling at USD 65.7 Mn. Historical trend for trading by foreigners in GCC listed stocks showed declines merely in one 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.



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

In the Saudi market, local Saudi investors were net sellers on Saudi stock market during Q2-2025 at SAR 5.2 Bn as compared to SAR 945.6 Mn in net selling during Q1-2025. However, Saudi Individuals were net buyers of Saudi stocks to the tune of SAR 8.2 Bn that was more than offset by net sell trades by Saudi Institutions at SAR 13.3 Bn. On the other hand, buying was seen in trades by non-GCC foreigners and GCC investors to the tune of SAR 4.9 Bn and SAR 369.7 Mn, respectively. In the 1H-2025, foreign investors were net buyers in the Saudi market, with total purchases amounting to SAR 7.3 Bn. This marks a 37% decline compared to SAR 11.5 Bn in the same period of 2024. The highest level of foreign purchase occurred in June, reaching SAR 3.64 Bn. Similarly, Saudi individual investors recorded net buying of SAR 7.1 Bn during 1H-2025, down from SAR 11.0 Bn in the corresponding period last year. April saw the peak in retail investor activity, with net purchases totaling SAR 3.51 billion.

Trading by GCC investors (Excluding Bahrain due to unavailability of data) in GCC exchanges showed net selling during Q2-2025. During Q2-2025, net sell trades by GCC investors reached USD 50.5 Mn, reflecting a decline from the USD 482.3 Mn in net sell trades recorded in Q1-2025. Abu Dhabi witnessed the biggest net buying by GCC investors during Q2-2025 at USD 48.4 Mn followed by Dubai exchanges at USD 23.0 Mn. Saudi Arabia followed with a net buy of USD 4.0 Mn. On the other hand, Kuwait, Qatar and Oman exchanges recorded net sales by GCC investors in Q2-2025 partially offsetting the overall buying by GCC investors.

In terms of the aggregate trading activity, total GCC volume traded increased by 9.1% y-o-y to reach 94.73 Bn shares in Q2-2025 as compared to 86.8 Bn shares in Q1-2025. Most of the GCC Exchanges reported a q-o-q gain in volume during the quarter barring Saudi Arabia and Bahrain. Qatar topped the list with a gain of 39.4% to record 12.5 Bn in Q2-2025 compared to 8.9 Bn in Q1-2025, followed by Dubai with 21.0% to record 16.3 Bn in Q2-2025 vs. 13.4 Bn in Q1-2025. On the other hand, Saudi Arabia and Bahrain declined by 5.0% and 61.5% in Q2-2025, respectively.

Meanwhile, the total value of shares traded declined during Q2-2025. Saudi Arabia, Kuwait and Bahrain declined in value traded while the rest of the markets gained during Q2-2025. Aggregate value traded reached USD 151.8 Bn in Q2-2025 vs. USD 157.5 Bn in Q1-2025. Abu Dhabi reported the biggest increase in trading activity with value traded increasing from USD 20.3 Bn in Q2-2025 to USD 22.5 Bn in Q1-2025 resulting a share of 14.9% vs. 12.9% in Q1-2025. Trading activity on the Saudi Arabia Exchange declined q-o-q from USD 95.7 Bn in Q1-2025 to USD 89.0 Bn in Q2-2025.

Top 10 GCC Stocks by Trading value

Six Saudi-listed stocks ranked among the top 10 most traded GCC stocks by trading value in Q2-2025. The aggregate traded value of the top 10 stocks listed in the GCC stood at USD 34.7 Bn, accounting for 36.6% of the total value traded on the GCC exchanges during the quarter. Al-Rajhi Bank topped the list by recording USD 5.8 Bn in trades followed by Saudi Arabian Oil Co. (Aramco) at USD 5.1 Bn and International Holdings Co. at USD 4.0 Bn. In addition to the Saudi stocks, the most actively traded stocks during the quarter included Adnoc Gas, Emaar Properties Co. and Kuwait Finance House.



Sources : Bloomberg, Kamco Invest Research.

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