

GCC Trading Activity Quarterly Report - Q3-2024

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

Foreign investors, including institutional and retail investors, were net buyers on GCC stock markets during Q3-2024 with net buying at USD 3.71 Bn as compared to USD 3.66 Bn in net buying during Q2-2024. The trend remained positive from the start of the year with consecutive buying by foreign investors during the 9M-2024 of the year. The biggest buying was seen in Abu Dhabi with total net buying of USD 1.9 Bn followed by Saudi Arabia also seeing consecutive buying by foreigners that reached USD 1.3 Bn in Q3-2024. Boursa Kuwait was next with the exchange also witnessing consecutive buying by foreigners during the three months of the quarter aggregating to USD 220.4 Mn followed by Dubai, Qatar and Bahrain exchanges with net buy transactions of USD 68.6 Mn, USD 68.3 Mn and USD 46.3 Mn, respectively. The net buying seen in Bahrain during Q3-2024 was the highest level recorded in 21 quarters. Data for Oman showed a marginal net buying at USD 0.3 Mn for Q3-2024.

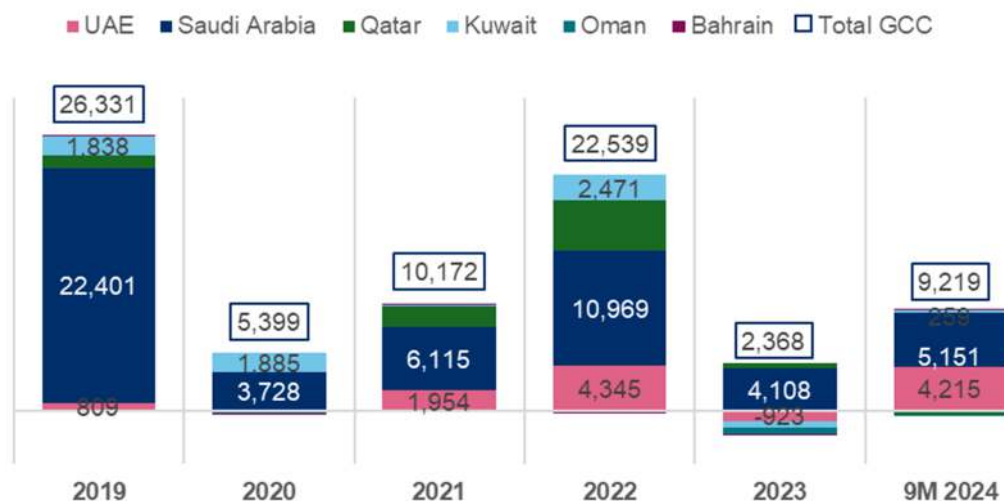
Meanwhile, the monthly trend for Saudi Arabia showed that the quarter started with net sell transactions by foreign investors during July-2024 followed by net buy trades during the remaining two months, more than offsetting the net sell trades during July-2024. Similarly, Qatar experienced net sales by foreign investors in Aug-2024 that was offset by buying during the remaining two months.

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 an uptrend in the equity market and skewed towards gainers as two out of seven exchanges reported declines during Q3-2024. The anticipated reduction in interest rate by the US Fed during the quarter supported market performance in the region. As a result, local investors were net sellers during the quarter 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 during the quarter peaked during Sep-2024 with aggregate monthly net buying at USD 2.6 Bn. July-2024 witnessed a decline with net buying at USD 307.1 Mn while Aug-2024 registered the net buying at USD 718.9 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.

Net Trades by Foreign Investors in GCC - USD Mn

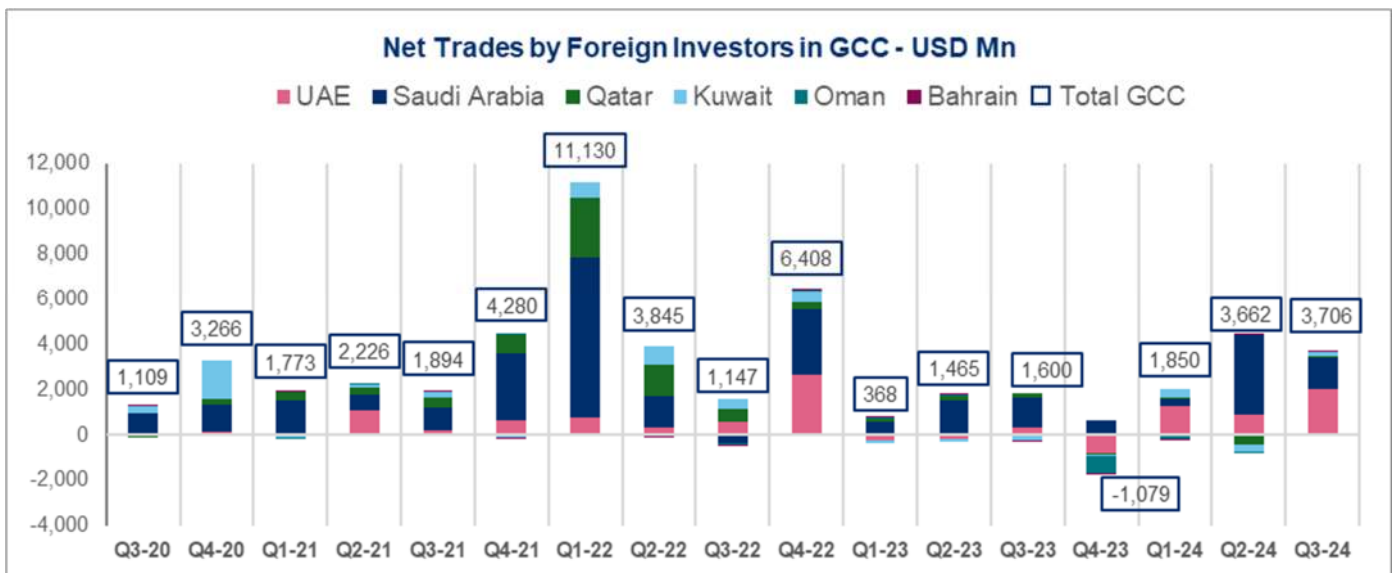


Sources : GCC Stock Exchanges, Bloomberg, Kamco Invest Research.

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Trading by GCC investors (Excluding Abu Dhabi, Bahrain due to unavailability of data) in GCC exchanges showed net selling during Q3-2024. Net sale trades of GCC investors reached USD 195.1 Mn in Q3-2024 compared to a net buy trade of USD 649.5 Mn in Q2-2024. Saudi Exchange witnessed the biggest net buying by GCC investors during Q3-2024 at USD 21.4 Mn. Oman was next with the exchange also witnessing consecutive buying during Q3-2024 with USD 6.2 Mn. On the other hand, Kuwait, Dubai and Qatar exchanges recorded net sales by GCC investors in Q3-2024 partially offsetting the overall buying by GCC investors. In terms of monthly trend during Q3-2024, aggregate trading activity by GCC Investors on GCC exchanges peaked during July-2024 and hit the lowest trading month in Aug -2024.



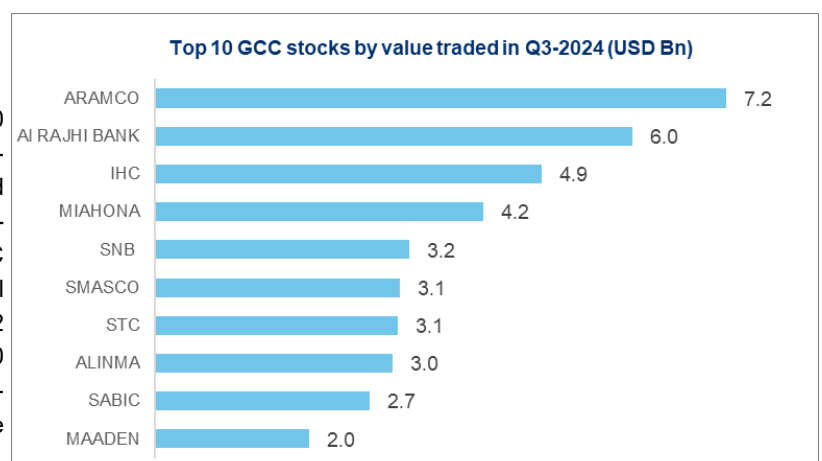
Sources : GCC Stock Exchanges, Bloomberg, Kamco Invest Research.

In terms of the aggregate trading activity, total GCC volume traded increased by 19.8% q-o-q to reach 83.01 Bn shares in Q3-2024 as compared to 69.3 Bn shares in Q2-2024. All the GCC Exchanges reported a q-o-q increase in volume during the quarter barring Qatar and Oman. Kuwait topped the list with a gain of 32.7% to record 16.8 Bn in Q3-2024 compared to 12.7 Bn in Q2-2024, followed by Saudi Arabia with 28.1% to record 22.3 Bn in Q3-2024 vs. 17.4 Bn in Q2-2024. On the other hand, Qatar and Oman declined by 1.6% and 8.9% Bn in Q3-2024, respectively.

Similarly, the total value of shares traded during Q3-2024 also reported a gain that was largely broad-based. Value traded in Qatar declined while the rest of the markets gained during Q3-2024. Aggregate value traded reached USD 165.9 Bn in Q3-2024 vs. USD 158.0 Bn in Q2-2024. Abu Dhabi reported the biggest increase in trading activity with value traded increasing from USD 16.0 Bn in Q2-2024 to USD 21.4 Bn in Q3-2024 resulting in a share of 12.9% vs. 10.1% in Q2-2024. Trading activity on the Qatar Exchange declined q-o-q from USD 7.7 Bn in Q2-2024 to USD 6.5 Bn in Q3-2024.

Top 10 GCC Stocks by Trading value

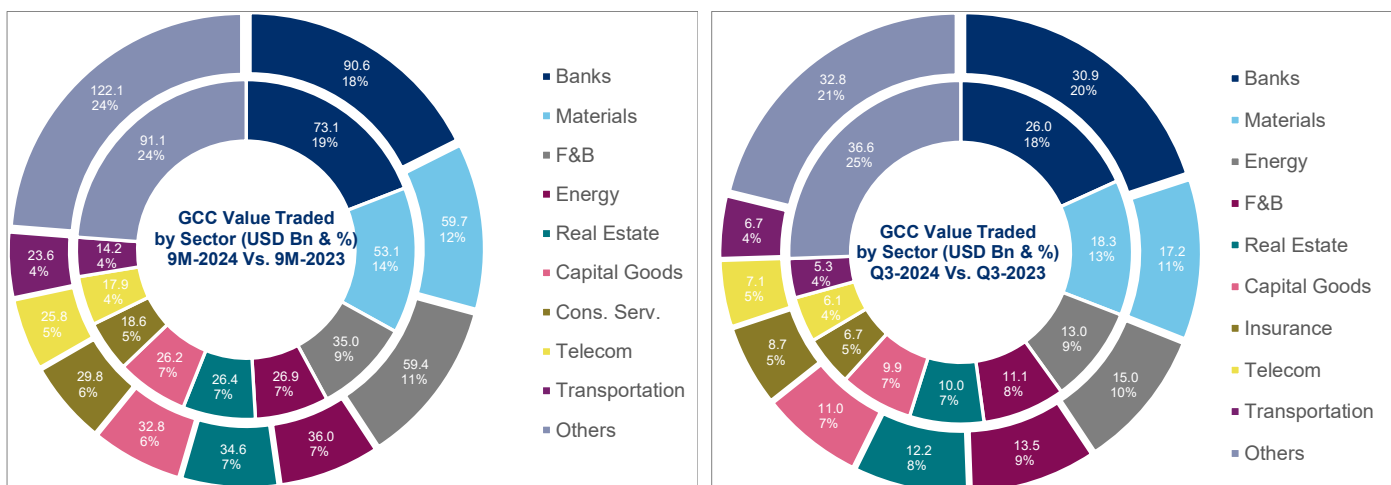
Nine Saudi-based stocks ranked among the top 10 most traded GCC stocks by trading value in Q3-2024. Aggregate traded value of the top 10 listed stocks in the GCC stood at USD 39.4 Bn, accounting for 23.7% of the total value traded on the GCC exchanges during the Q3-2024. Saudi Arabian Oil Co (Aramco) topped the list by recording USD 7.2 Bn in trades followed by Al Rajhi Bank at USD 6.0 Bn. International Holding Co. was the only non-Saudi stock in the list with a quarterly traded value coming in at USD 4.9 Bn during Q3-2024.



Sources : Bloomberg, Kamco Invest Research.

GCC Value Traded - Key Sector Contribution

The Banking sector accounted for the biggest share of value traded with an increase of 18.8% to reach USD 30.9 Bn in Q3-2024 from USD 26.0 Bn in Q3-2023. In the Banking sector, Al-Rajhi Bank topped with USD 6.0 Bn worth of traded shares during the quarter followed by the Saudi National Bank and Alinma Bank at USD 3.2 Bn and USD 3.0 Bn worth of traded shares, respectively. Food, Beverage & Tobacco, Real Estate, and Energy sectors also contributed to total value growth during the quarter. It is noteworthy that out of the ten sectors, eight have witnessed a y-o-y increase in value traded during Q3-2024 while the remaining two sectors witnessed declines. Among the decliners, Material and Other sectors declined by 5.8% and 10.3% respectively.



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

Similarly, in terms of 9M-2024 performance, the total value of shares traded during 9M-2024 also increased and was largely broad based. All the sectors reported a gain in total value traded during 9M-2024. Aggregate value reached USD 514.3 Bn during the 9M-2024 vs. USD 382.6 Bn in 9M-2023 up by 34.4%. Rest of the sectors showed an increase in trading activity with value trading increasing from USD 91.1 Bn in 9M-2023 to USD 122.1 Bn in 9M-2024. Trading activity in the F&B, Banking and Consumer services sectors increased by 69.8%, 23.9% and 59.8% respectively.

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