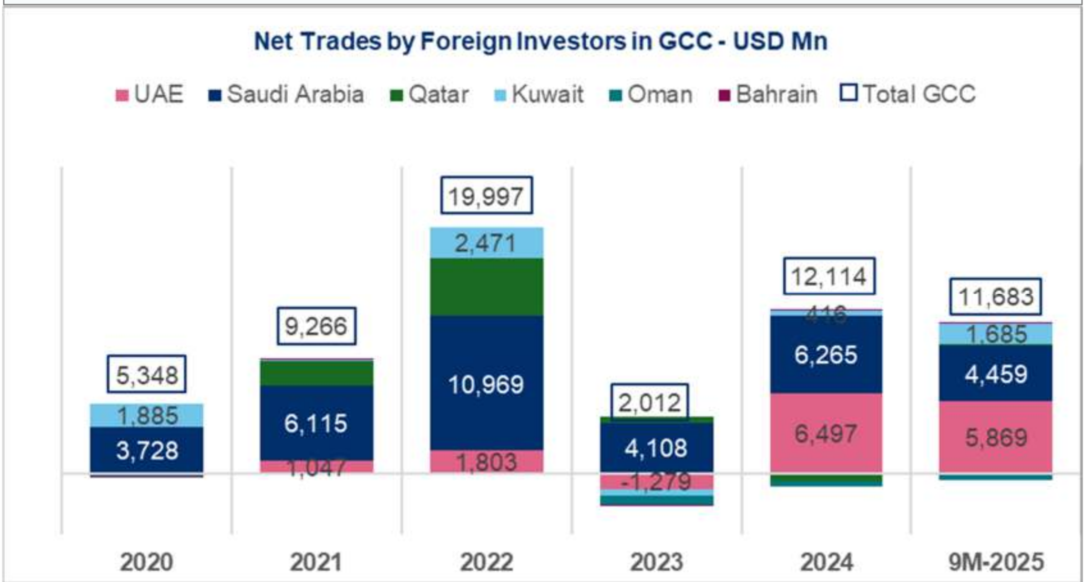
GCC Trading Activity Quarterly Report - Q3-2025

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

Foreign investors, including institutional and retail investors, were net buyers on GCC stock markets during Q3-2025 with net buying at USD 4.8 Bn as compared to USD 4.2 Bn in net buying during Q2-2025.The trend remained positive, with buying recorded in seven months and net selling in two months during the 9M-2025 to reach USD 11.7 Bn vs USD 8.6 Bn in 9M-2024 up by 35.4% y-o-y. The biggest buying was seen in Saudi Arabia with total net buying of USD 2.8 Bn. UAE was next with Abu Dhabi exchange also seeing consecutive buying by foreigners that reached USD 798.7 Mn in Q3-2025. Dubai was next with net buy of USD 614.9 Mn by foreigners followed by Kuwait and Qatar exchanges with net buy of USD 283.3 Mn and USD 267.2 Mn, respectively. Data for Bahrain showed net buying at USD 22.9 Mn for Q3-2025. Meanwhile, foreign investors were net sellers of Omani stocks for the second consecutive quarter with net sales of USD 38.7 Mn during the quarter followed by USD 27.9 Mn in net sell trades during the previous quarter.

The 9M-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. Foreign investors were the biggest buyers of UAE stocks during 9M-2025, with net buying reaching USD 5.9 Bn followed by Saudi Arabia and Kuwait at USD 4.5 Bn and USD 1.7 Bn, respectively. Qatar and Bahrain recorded net purchases of USD 179.9 Mn and USD 18.3 Mn during the 9M-2025, respectively. The 9M-2025 showed foreign investors as net sellers for Oman to the tune of USD 527.5 Mn. Recently, Saudi Arabia's Capital Market Authority (CMA) announced its decision to lift the foreign ownership cap in Saudi-listed companies beyond the current 49% threshold. The implementation is expected before the end of the year, pending government approvals. This move to allow foreign investors to own up to 100% of companies listed on the Main Market (TASI) will enhance market attractiveness.

In terms of GCC market performance, the MSCI GCC Index rose 4.6% in Q3-2025, closing at 767.9 compared with 734.3 in Q2- 2025, marking its strongest quarterly performance in three quarters. The index also ended the quarter near its highest level in nearly two years. Among GCC markets, Oman led the rally with a 15.1% gain, emerging as the top performer for the quarter. Boursa Kuwait followed with the All Share Index up 4.0%, while Saudi Arabia and Qatar posted gains of 3.0% and 2.8%, respectively. Dubai saw a 2.3% increase, whereas Abu Dhabi and Bahrain recorded modest gains of 0.6% and 0.2%.



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

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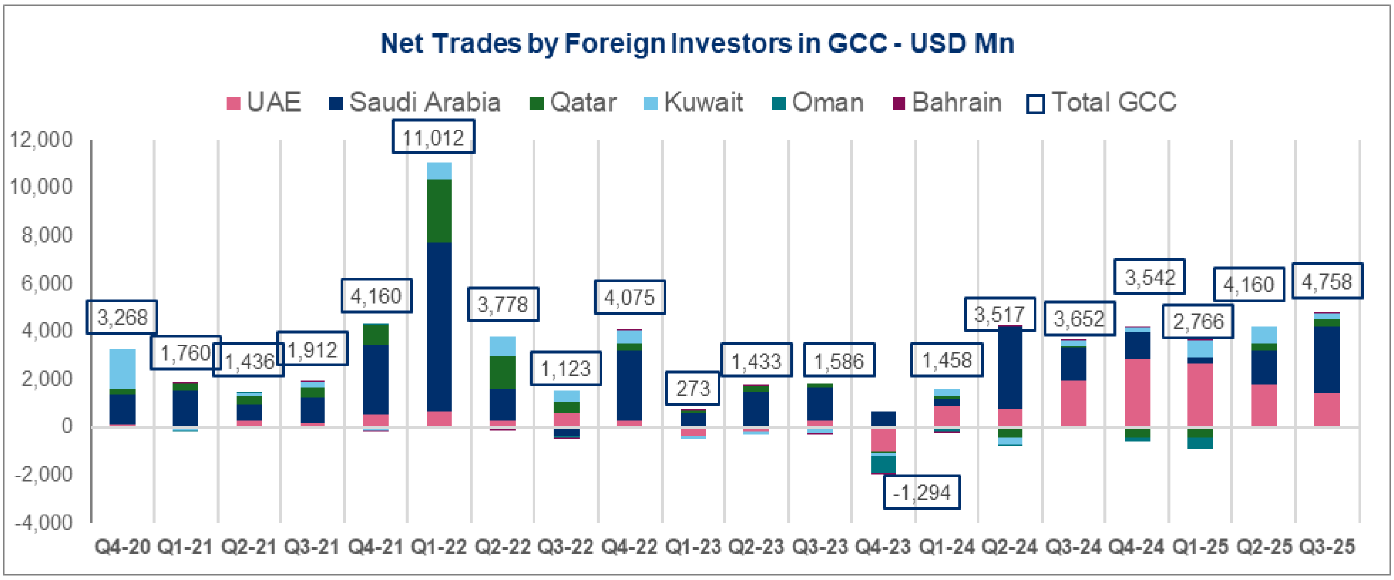
Meanwhile, the monthly trend data showed that Dubai, Abu Dhabi, and Saudi Arabia witnessed consecutive net buying by foreign investors throughout all three months of the quarter. Qatar demonstrated a buying trend during the initial two months of Q3-2025, which later reversed to net selling in the last month of the quarter. Kuwait, on the other hand, posted net buying in the first month of the quarter, before turning to net selling over the subsequent two months. Oman was the only GCC exchange that experienced consistent net selling by foreign investors across all 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.

In terms of m-o-m performance, GCC exchanges maintained a consistent net buying trend throughout Q3-2025. Net buying by foreign investors peaked in September 2025, reaching an aggregate value of USD 2.8 Bn, followed by USD 1.5 Bn in July 2025. In August 2025, foreign investors recorded net buying of USD 368.3 Mn.

Over the past five years, trading activity by foreign investors in GCC-listed equities has remained largely positive, with declines observed in only one quarter during the period. The most significant surge in foreign inflows occurred in Q1-2022, when net purchases reached USD 11.0 Bn. This sharp increase was primarily driven by heightened buying activity in Saudi Arabia and Qatar, reflecting strong investor confidence in these markets.



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

In the Saudi market, local Saudi investors were net sellers on Saudi stock market during Q3-2025 at SAR 10.5 Bn as compared to SAR 5.2 Bn in net selling during Q2-2025. Both Saudi individual and institutional investors registered net selling during the Q3-2025, amounting to SAR 6.6 Bn and SAR 3.9 Bn, respectively. On the other hand, buying was seen in trades by non-GCC foreigners and GCC investors to the tune of SAR 10.1 Bn and SAR 456.9 Mn, respectively. During the 9M-2025, foreign investors were net buyers in the Saudi market, with total net purchases amounting to SAR 17.3 Bn, representing a 5.6% increase compared to SAR 16.4 Bn recorded during 9M-2024. The highest level of foreign purchase occurred in September, reaching SAR 7.9 Bn. Similarly, Saudi individual investors recorded net buying of SAR 3.2 Bn during 9M-2025, down from SAR 9.0 Bn in the corresponding period last year. July saw the peak in retail investor activity, with net purchases totaling SAR 2.5 Bn. The last week of September 2025 saw the highest level of foreign investor net buying at SAR 5.8 Bn, while Saudi investors recorded their peak net selling of SAR 6.1 Bn during the 9M-2025.

Notably, Saudi Arabia's stock market posted its largest daily gain since 2020, with the benchmark index climbing over 5% on 24-Sep-2025 to its highest level since May. The rally follows reports that regulators may ease the 49% cap on foreign ownership of listed companies, a measure expected to enhance investor confidence and draw further foreign inflows. The regulatory change is anticipated to be implemented before the end of 2025. Estimates suggested that Saudi market could see additional foreign inflows of USD10 Bn , with banks such as Al Rajhi, Saudi National Bank, and Alinma set to benefit the most. Al Rajhi's shares, for example, surged 10% immediately after the announcement, signaling strong investor optimism. Separately, Saudi Arabia has worked to attract foreign investment by introducing exchange-traded funds in partnership with companies in Japan and Hong Kong. In January-2025, regulators also allowed foreigners to invest in listed companies that own real estate in Mecca and Medina, while keeping restrictions on direct land ownership unchanged.

By the end of September 2025, the number of retail investors in Tadawul-listed companies reached 7.05 Mn, marking an increase of 150,000 investors compared to Q2-2025. The number of institutional investors rose to approximately 96,000 during Q3-2025, representing a more than 6X increase compared to Q3-2024.

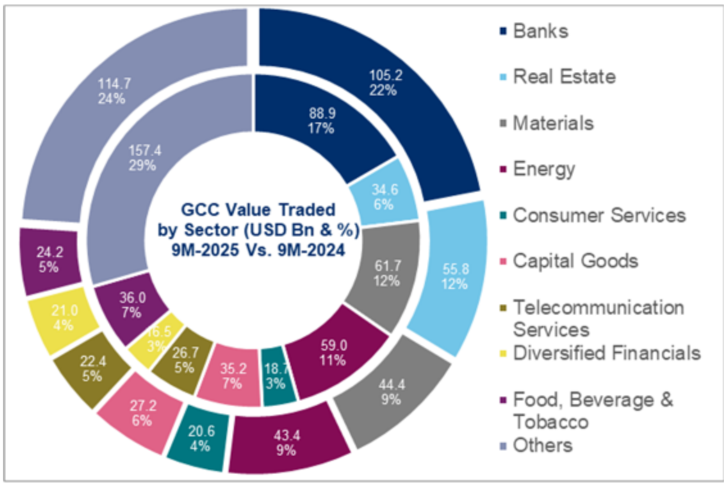
Trading by GCC investors (Excluding Bahrain due to unavailability of data) in GCC exchanges showed net selling during Q3-2025. During Q3-2025, net sell trades by GCC investors reached USD 51.2 Mn, reflecting a decline from the USD 50.5 Mn in net sell trades recorded in Q2-2025. Saudi Arabia witnessed the biggest net buying by GCC investors during Q3-2025 at USD 121.8 Mn followed by Qatar exchanges at USD 62.6 Mn. On the other hand, UAE, Kuwait and Oman exchanges recorded net sales by GCC investors in Q3-2025 partially offsetting the overall buying by GCC investors.

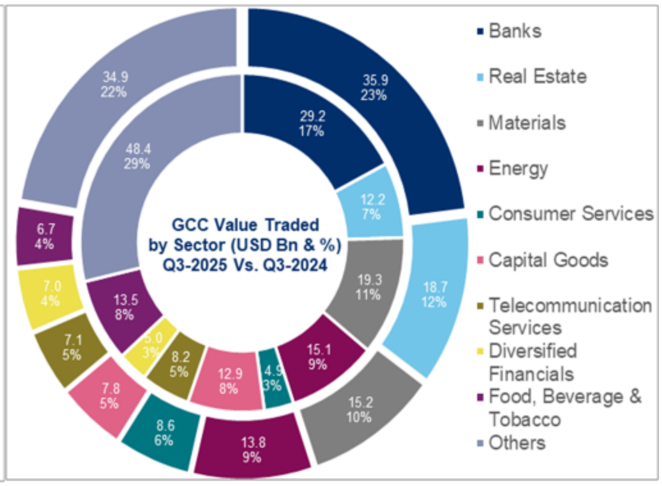
In terms of the aggregate trading activity, total GCC volume traded increased by 15.0% q-o-q to reach 108.9 Bn shares in Q3-2025 as compared to 94.7 Bn shares in Q2-2025. Most of the GCC Exchanges reported a q-o-q gain in volume during the quarter barring Abu Dhabi Dubai and Qatar. Kuwait topped the list with a gain of 38.2% to record 34.8 Bn in Q3-2025 compared to 25.2 Bn in Q2-2025, followed by Oman with 158.8% to record 7.8 Bn in Q3-2025 vs. 3.0 Bn in Q2-2025. On the other hand, Qatar, Abu Dhabi and Dubai declined by 12.6% , 10.5% and 1.2% in Q3-2025, respectively.

Meanwhile, the total value of shares traded in GCC markets declined slightly during Q3-2025. While Kuwait, Oman, and Bahrain recorded gains in trading value, the remaining markets saw q-o-q decreases. Aggregate value traded across the region stood at USD 151.3 Bn in Q3-2025, compared to USD 151.8 Bn in Q2-2025. Kuwait recorded the largest increase in trading activity, with the value traded rising from USD 19.3 Bn in Q2-2025 to USD 21.9 Bn in Q3-2025, increasing its market share to 14.5% from 12.7% in the previous quarter. In contrast, Saudi Arabia witnessed a decline in trading volumes, with the value traded falling from USD 89.0 Bn in Q2-2025 to USD 86.3 Bn in Q3-2025.

GCC Value Traded - Key Sector Contribution

The Banking sector accounted for the biggest share of value traded with an increase of 22.9% to reach USD 35.9 Bn in Q3-2025 from USD 29.2 Bn in Q3-2024. In the Banking sector, Al-Rajhi Bank topped with USD 5.7 Bn worth of traded shares during the quarter followed by the Saudi National Bank and Alinma Bank at USD 2.8 Bn and USD 2.7 Bn worth of traded shares, respectively. Consumer Services, Real Estate and Diversified Financials sectors also contributed to total value growth during the quarter. Sector performance was broadly negative in Q3-2025, with six out of ten sectors posting declines. Among the decliners, F&B, Capital Goods and Materials declined by 50.3%, 39.4% and 21.1%, respectively.





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

Similarly, in terms of 9M-2025 performance, the total value of shares traded during 9M-2025 also declined and was largely broad based. Most of the sectors reported a decline in total value traded during 9M-2025. Aggregate value reached USD 478.9 Bn during the 9M-2025 vs. USD 534.7 Bn in 9M-2024 down by 10.4%. Trading activity in the F&B, Materials and Energy sectors declined by 32.8%, 28.0% and 26.4% respectively, while Banking and Real estate sectors reported a gain of 18.4% and 61.3%.

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