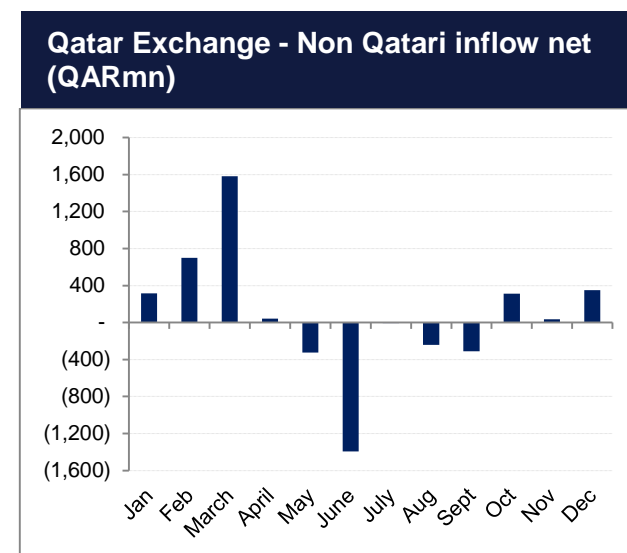
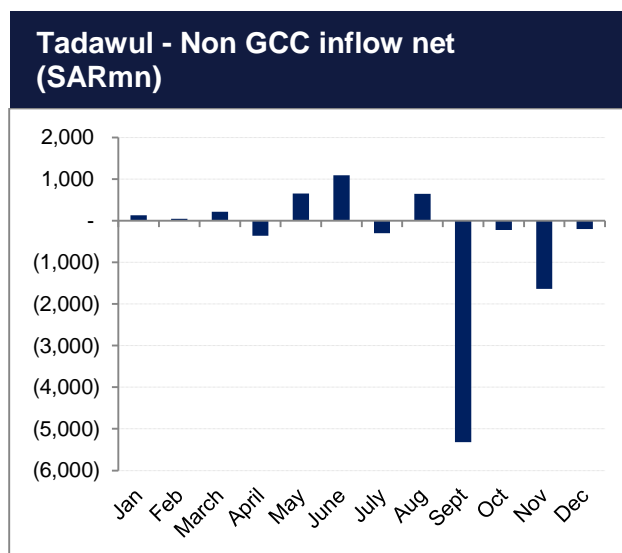
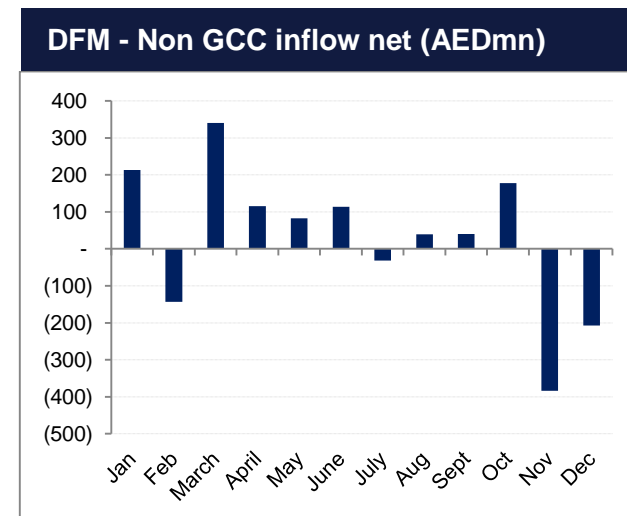
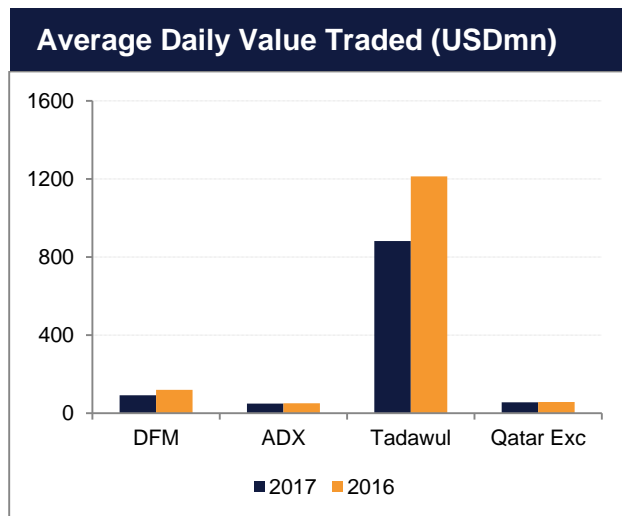


GCC Equity Flow Monitor – December 2017

11 January 2018

Commentary

- In December 2017, GCC equity markets rallied for the first time in four months with the MSCI GCC Countries index adding +3.3%. Overall, in 2017 the index ended with gains of +4.5% compared to a +9.0% rally in 2016. In terms of individual markets, the KWSE index was the best performer in 2017 with gains of +17.1% while the Qatar Exchange index was the worst performer with losses of -14.7%.
- In December 2017, the DFM index saw outflows of c. AED 208mn from non-GCC investors. However on a yearly basis, the DFM index saw inflows of AED 358mn in 2017 compared to AED 2bn in 2016.
- The Qatar Exchange saw inflows for a third consecutive month in December 2017. Foreign investors bought stocks worth QAR 350mn to take their aggregate 2017 inflows to QAR 1.06bn. The inflows in 2017 were much smaller compared to QAR 6.2bn inflow in 2016 and the decline can be partly put down to the embargo imposed on the country by other GCC countries.
- The Tadawul saw outflows from foreign investors for a fourth consecutive month. Foreign investors sold stocks worth SAR 198.0mn amid renewed political tension in the region. Overall in 2017, the aggregate outflow was SAR 5.2bn compared to outflows of SAR 1.19bn in 2016.
- On a y/y basis, trading volumes in 2017 declined across the major GCC equity indices. The value traded on the DFM index and the Tadawul dropped -23.0% y/y and -27% y/y respectively. However, on a m/m basis volumes in December 2017 increased on the Tadawul (+22% m/m), the DFM index (+5.0% m/m) and the Qatar Exchange (+35.0% m/m) but declined on the ADX index (-4.0% m/m).



Source: Bloomberg, Emirates NBD Research

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