

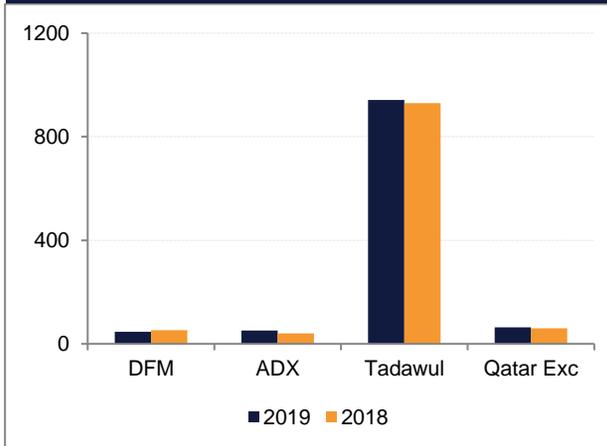
GCC Equity Flow Monitor – August 2019

19 September 2019

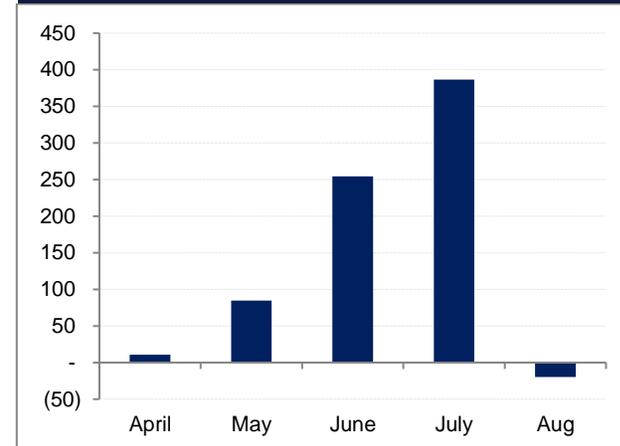
Commentary

- In August 2019, GCC equity markets closed lower for the first time in three months. The MSCI GCC Countries index dropped -6.5%. The losses were driven by Tadawul (-8.2%) and the DFM index (-5.5%).
- In terms of fund flow, Saudi Arabian equities continue to dominate. The flows were primarily driven by the completion of the final phase of including Saudi equities in the MSCI EM index.
- In fact, the Tadawul received the biggest 1-month inflow since May 2019 with foreign investors buying equities worth SAR 14bn. This was the ninth consecutive month of positive inflows into the country. In the first eight months of this year, foreign investors have bought stocks worth SAR 74bn to take their ownership of Saudi equities to 8.33%.
- Saudi institutional investors were net sellers for a seventh consecutive month. On an aggregate basis, they have sold stocks worth SAR 37.7bn in first eight months of 2019.
- The DFM index saw outflows from foreign investors of AED 19.9mn. This was the smallest monthly outflow in 2019.
- The Qatar Exchange saw outflows from foreign investors for the first time since February 2018. Foreign investors were net sellers to the tune of QAR 457mn in August 2019. On an aggregate basis, they have bought stocks worth QAR 3.98bn so far in 2019.
- Despite increased inflows, trading volume remained rather subdued. In the first eight months of 2019, the average daily value traded has increased 1% on the Tadawul relative to 2018 while it declined 11% on the DFM index. However, on a m/m basis, the Tadawul saw an increase of 75% in August 2019.

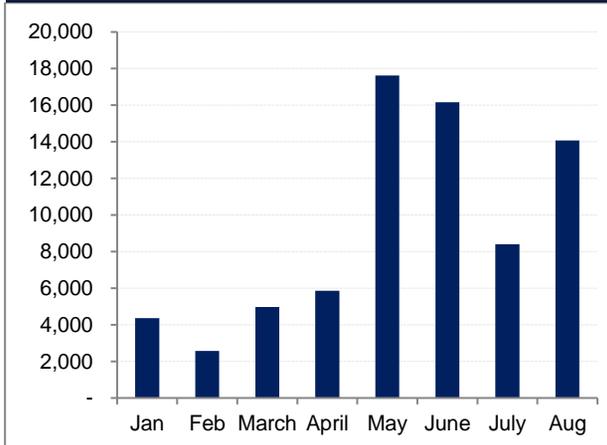
Average Daily Value Traded (USDmn)



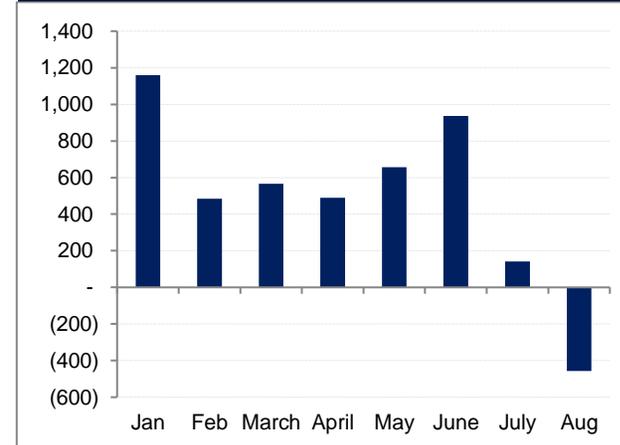
DFM - Non GCC inflow net (AEDmn)



Tadawul – Foreign investors inflow net (SARmn)



Qatar Exchange - Non Qatari inflow net (QARmn)



Source: Bloomberg, Emirates NBD Research

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