

# GCC Equity Flow Monitor – May 2020

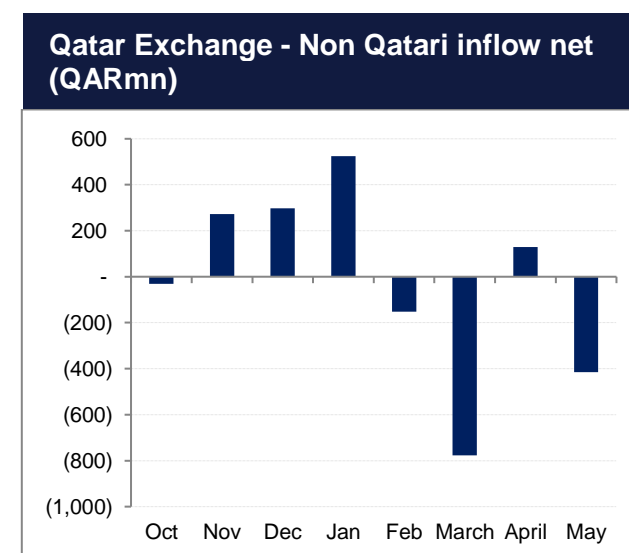
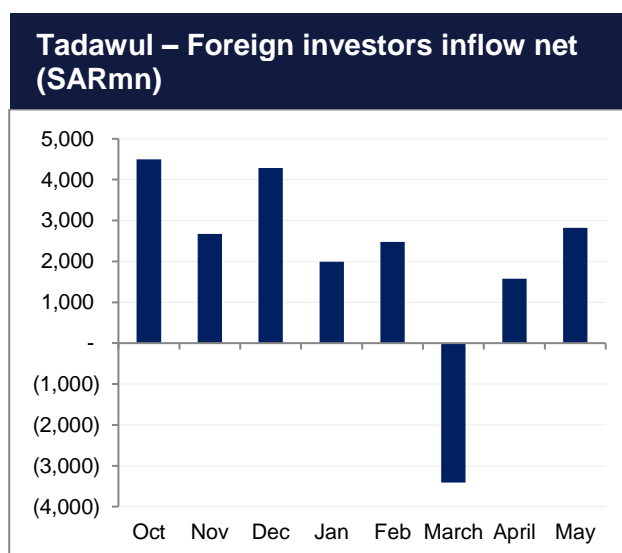
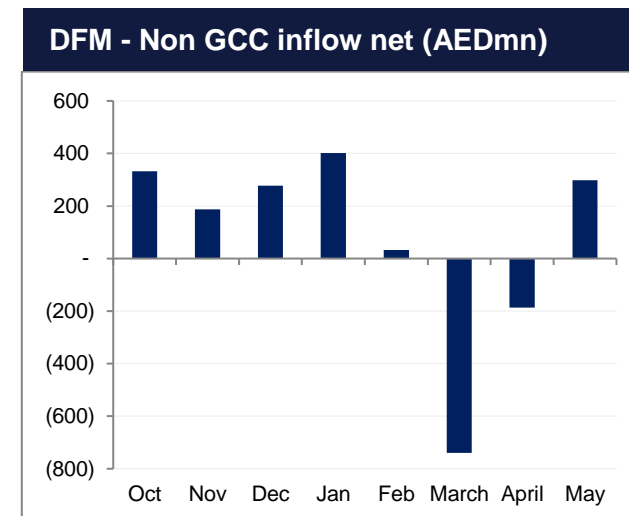
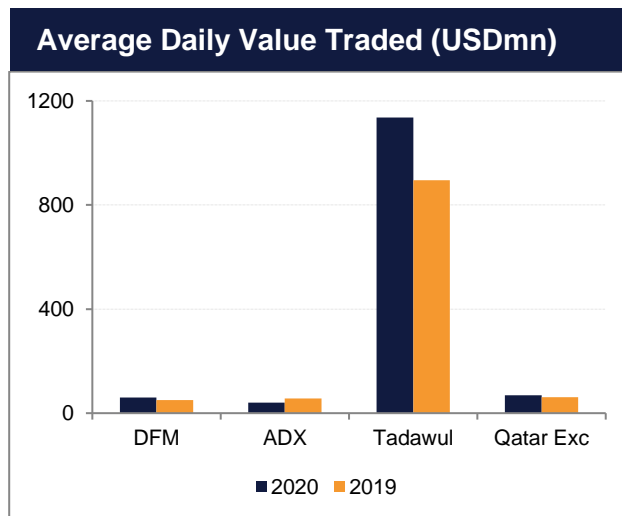
15 June 2020

## Commentary

- In May 2020, GCC equity markets closed higher for a second consecutive month. The MSCI GCC Countries index added +1.8% to trim its year to date decline to -15.8%. Gains were concentrated in certain markets with the Tadawul and the Qatar Exchange adding +1.4% and +0.9% respectively. The DFM index dropped -4.0%. A sharp rally in oil prices and easing of some restrictions in economic activities helped investor sentiment. Brent oil prices gained +39.8% in May.
- The Tadawul saw inflows from foreign investors for a second consecutive month. They bought stocks worth SAR 2.8bn in May 2020. This was the largest monthly inflow in 2020. Importantly, the Tadawul has seen net inflows every month this year except for March 2020. Interestingly, Saudi institutional investors remained sellers for a second consecutive month. The foreign ownership (as a percentage of free float) of Saudi equities remained anchored around 12.0%.
- The DFM index saw inflows for the first time in three months. Non-GCC investors were net buyers to the tune of AED 298.6mn in May 2020. However, on an aggregate basis, they are net sellers so far in 2020 to the tune of AED 194mn.
- Unlike the DFM and the Tadawul, Qatar Exchange saw outflows in May 2020. Foreign investors sold shares worth QAR 415.8mn in May 2020 to take their aggregate selling in the first five months of 2020 to QAR 690.5mn.
- Trading volumes continued to improve across markets. In May 2020, the average daily valued traded jumped 7% m/m on the DFM and 9% m/m on the Tadawul. The trend was similar on a y/y basis with an increase of 27% on the Tadawul in the first five months of 2020 compared to 2019.

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Source: Bloomberg, Emirates NBD Research

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