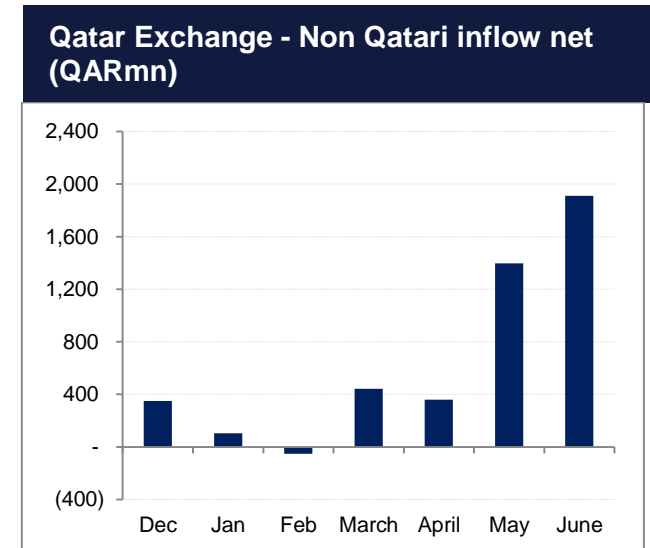
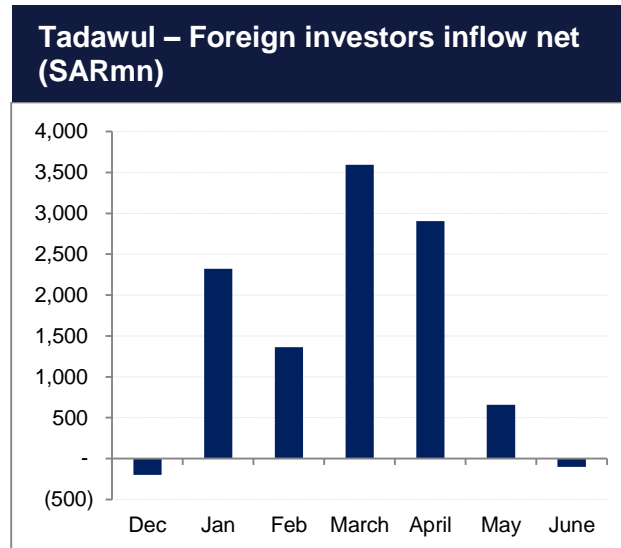
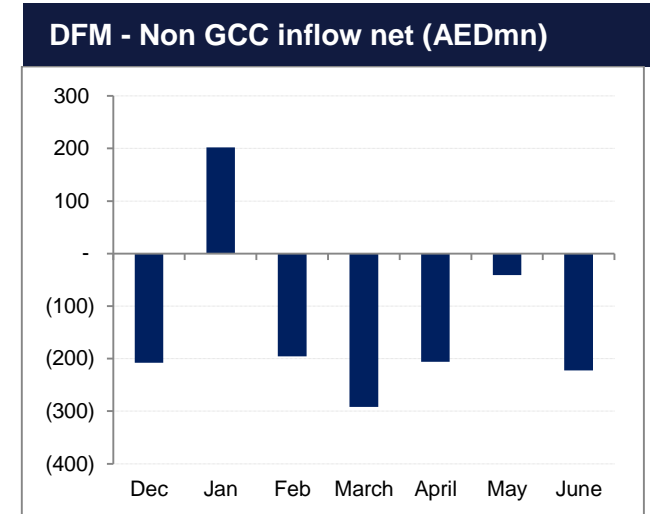
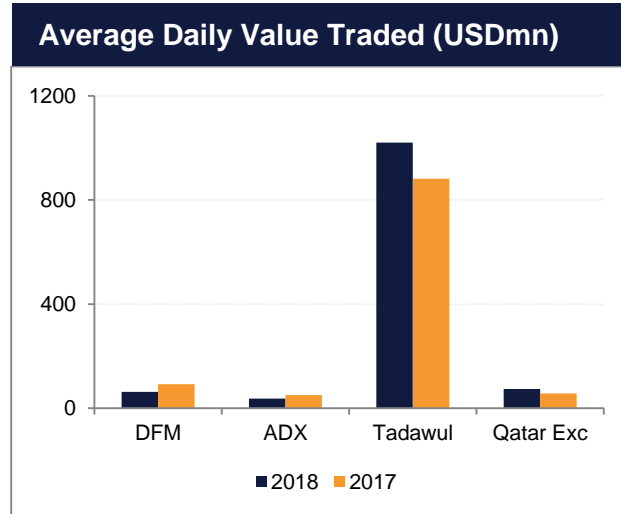


# GCC Equity Flow Monitor – June 2018

16 July 2018

## Commentary

- In June 2018, GCC equity markets rallied for a fourth consecutive month with the MSCI GCC Countries index adding +1.1%. The DFM (-4.8%) was a notable exception in what was a broad based rally. The Tadawul and the Kuwait Premier Market index added +1.9% and +4.6% respectively in June 2018.
- The much awaited MSCI decision to include Saudi Arabian equities in its MSCI EM index came through successfully in June. In addition to Saudi Arabia, MSCI also included Kuwaiti stocks in its watch list for potential upgrade to the emerging market status.
- The Tadawul saw outflows for the first time in six months as foreign investors sold stocks worth SAR 102.8mn in June 2018. It could partly be on account of active fund managers locking in some profit following the positive decision of MSCI. On an aggregate basis, the Saudi Arabian equity market has seen inflows of SAR 10.7bn in the first half of 2018.
- In June 2018, the DFM index saw outflows for a fifth consecutive month. Non-GCC investors were net sellers to the tune of AED 222.3mn. The aggregate outflows in H1 2018 stood at c. AED 755mn.
- The Qatar Exchange saw the largest inflow from foreign investors in two years. They were net buyers to the tune of QAR 1.9bn in June 2018 as changes in weights of stocks in the MSCI EM index took effect.
- Trading volumes remained mixed across GCC equity markets. On a m/m basis the average daily value traded declined across the board. However that can be put down to Eid holidays during June 2018. On a ytd basis, the value traded increased +16.0% and +31.0% on the Tadawul and the Qatar Exchange respectively compared to 2017.



Source: Bloomberg, Emirates NBD Research

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