

GCC Equity Flow Monitor – September 2017

9 October 2017

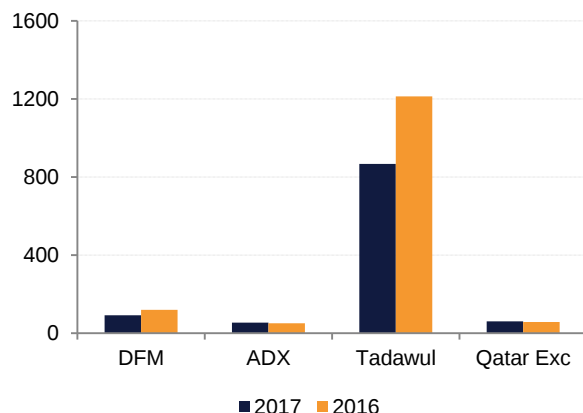
Commentary

- In September 2017, GCC equity markets declined with the MSCI GCC Countries index losing -0.8%. This was despite a +9.9% rally in Brent oil prices during the month. The decline was led by the DFM index (-2.0%) and the Qatar Exchange (-5.6%). The Tadawul (+0.3%) and the Kuwait 15 index (+1.3%) managed to hold onto their gains of the previous month.
- For a second consecutive month, the DFM saw inflows from non-GCC investors. They were net buyers to the tune of AED 40.3mn. GCC investors were net sellers to the tune of AED 34.3mn.
- The Qatar Exchange continued to see outflows from foreign investors for a fifth consecutive month. Outflows accelerated further as hopes of a quick reconciliation faded away. Foreign investors sold stocks worth QAR 310.8mn in September 2017 to take the total outflows to QAR 1.95bn since June 2017.
- The Tadawul saw outflows from foreign investors of SAR 5.3bn in September 2017. But that was mainly on account of a single strategic outflow of SAR 5.77bn. If that transaction is excluded then there was a net inflow of c.SAR 450mn from foreign investors. This was mainly on account of the news of a potential upgrade into the FTSE EM index during the month. However, the index provider decided to delay the inclusion further in a decision which was announced after the last trading day of September 2017.
- With the exception of the DFM, volumes increased on a m/m basis in September 2017. The value traded on the Tadawul and the Qatar Exchange grew +8.0% m/m and +38.0% m/m respectively. However on y/y basis, volumes declined the most on the Tadawul with average daily value traded dropping -29.0% y/y in the first nine months of 2017.

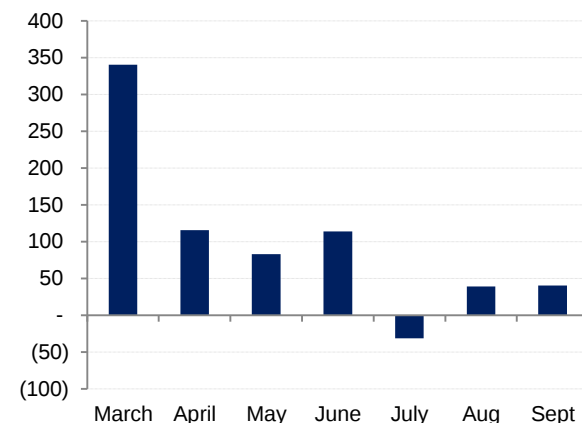
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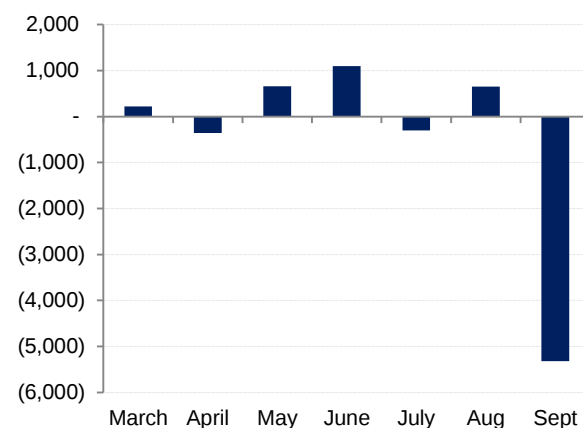
Average Daily Value Traded (USDmn)



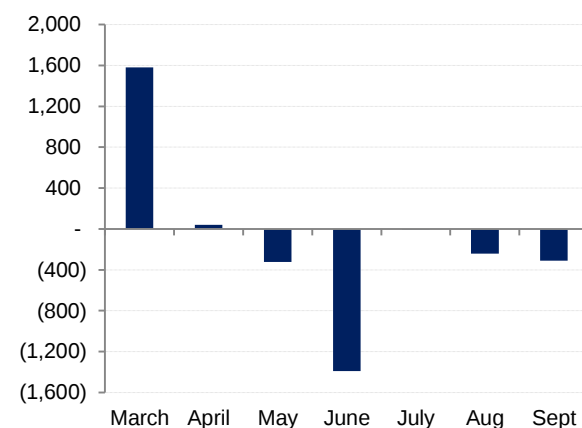
DFM - Non GCC inflow net (AEDmn)



Tadawul - Non GCC inflow net (SARmn)



Qatar Exchange - Non Qatari inflow net (QARmn)



Source: Bloomberg, Emirates NBD Research

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