



Reading between Numbers

Many Analysts are wondering about the reason behind the disparity between the performances of the different Arab Stock Exchanges. Some of them are attributing it to political reasons and others to the recent classification upgrade of certain markets or to the development of the legislation or to the size of those markets. The opinions will always remain subjective but still the reality will only be reflected by the numbers. A look at the history may be useful even if nothing guarantees that the history will repeat itself.

During the previous decade, Abu Dhabi, Qatar, Dubai and the Saudi Arabia indices recorded their highest levels during the period 2005 – 2006, leading the uptrend for the region. The remaining Arab Exchanges followed the move on different levels and recorded their highest levels in 2008. All Arab Exchanges reversed their trend during the world financial crisis and reached their bottom like most of International Exchanges in March 2009.

During 2013 and the first half of the year 2014, the same group of Exchanges led the new wave of the new uptrend in the Arab region. The history has also told us that the Arab Exchanges are all linked in a certain way and that all of them have benefited from the up move during the last decade.

Today while we are witnessing the return of the liquidity to the Arab Exchanges along with an exceptional performance, we think that the way is high open for a good return of the Arab Stock Exchanges under the regional and international investment loop.

Even if many investors remain cautious, many others are seizing the best opportunities to invest in the right place at the right moment, and the Arab region is plenty of such opportunities. The experience of the last decade taught us that even countries suffering of geopolitical pressures were able to perform well and on a high level.

The highest levels that the Arab Exchanges have reached historically according to the geographical distribution prior to the year 2014:

Abu Dhabi Securities Exchange 2005
Qatar Stock Exchange 2005
Dubai Financial Market 2005
Saudi Stock Exchange (Tadawul) 2006

Muscat Securities Market 2008
Bahrain Bourse 2008
Kuwait Stock Exchange 2008

The Egyptian Exchange 2008
Casablanca Stock Exchange 2008
Tunis Stock Exchange 2010

Amman Stock Exchange 2008
Beirut Stock Exchange 2008
Palestine Exchange 2005

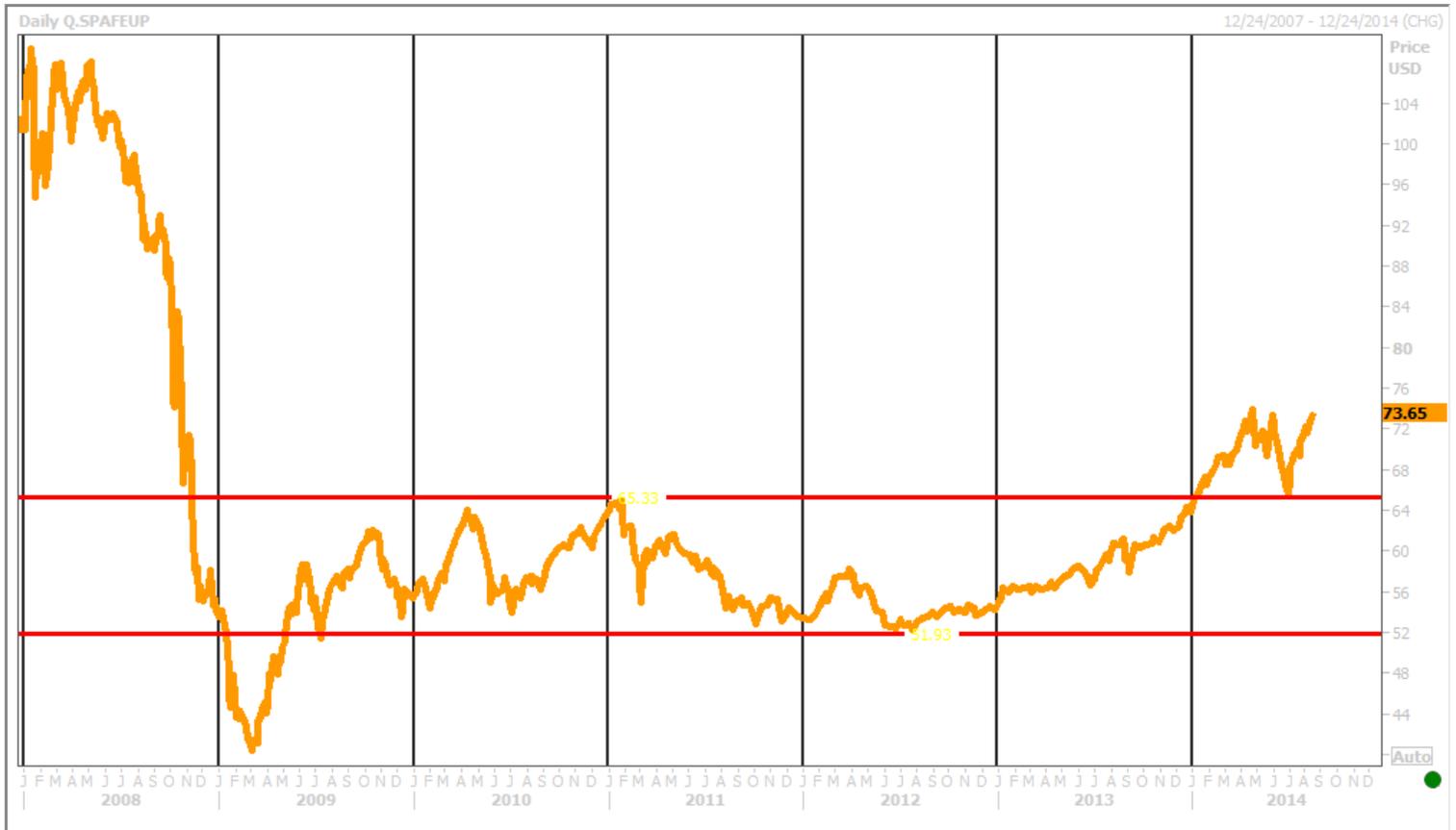
Due to the unavailability of some numerical data in the last decade, some Arab Exchanges weren't mentioned in the above list.

These Numbers come to reflect the following:

1. The move will occur and it will include all Markets eventhough the start will vary from a Market to another.
2. The investors on the Arab Markets will be able to take advantage of the disparity between the performances between the Arab Exchanges if they grab the opportunity of shifting between overpriced and underpriced Markets.

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Arab Federation of Exchanges Index: SPAFE40



Source: Thomson Reuters