



**Saudi
Exchange**

CAPITAL MARKET OVERVIEW

**SECOND QUARTER
2024**

www.saudiexchange.sa

FOREWORD

During the second quarter of 2024, the Saudi capital market maintained the steady momentum gained in the first quarter of 2024 and continued to invest in market infrastructure and diversify the companies listed on our Exchange, with a focus on building an advanced capital market ecosystem in Saudi Arabia.



Despite continued macroeconomic pressures, the Saudi capital market has experienced positive developments. GDP grew 1.40% in Q1 2024 compared to Q4 2023, beating both the OECD and G20 quarterly averages. Notably, unemployment continued to decline to 7.60% in Q1 2024 from 7.70% in Q4 2023, representing the lowest unemployment rate Saudi Arabia has experienced in over nine consecutive quarters.

Additionally, the inflation rate decreased to 1.57% in Q2 2024, representing the lowest inflation rate in eight consecutive quarters. In Q2 2024, the Saudi Exchange experienced a high level of activity, with the total number of newly listed companies on the Main Market rising 66.67% from Q1 2024. The Saudi Exchange's Nomu – Parallel Market also experienced steady growth, with its market capitalization increasing by 8.66% to reach SAR 55.23 billion in Q2 2024, compared to Q1 2024. The daily average number of trades on Nomu – Parallel Market rose 15.40% from the previous quarter to 3,405.

As a testament to the Exchange's growing debt market, the value traded of sukuk and bonds soared 290.47% in Q2 2024, reaching SAR 7.72 billion. In a further reflection of its continued growth, the Exchange also welcomed three newly listed sukuk and bonds during the second quarter of 2024. The derivatives market also enjoyed a flurry of activity, with the value traded jumping by 152.05% from Q1 to Q2 to reach SAR 21.90 million.

Increasing foreign access and connectivity to the Saudi capital market remains a priority for our Exchange, and we have taken significant steps to improve our offerings in support of this goal. In this report's Leadership Insights section, Nasser Alajaji, the Saudi Exchange's Chief of Listings, discusses the Exchange's ongoing work to streamline and support dual and cross listings, as well as the opportunities that dual and cross listings provide for issuers and investors.

Local and foreign investors alike are responding positively to our continued efforts to expand our product offerings and improve our market infrastructure. In Q2 2024, the value traded by qualified foreign investors rose to SAR 241 billion, representing 26.9% of the total market.

At the close of a successful first half of 2024, we are proud of the advancements we have made to our Exchange and in the Saudi capital market more broadly, and we look forward to continuing to build on this growth through the second half of the year.

Mohammed Al Rumaih
CEO of Saudi Exchange



Q2 KEY HIGHLIGHTS

SAUDI CAPITAL MARKET

290.47%

The Q-on-Q increase of value traded of sukuk and bonds during Q2 2024 to **SAR 7.72 billion**.

**601.74
BILLION SAR**

Total sukuk and bonds issuance size in Q2 2024, **up 6.70%** from Q1 2024.

21,898,000 SAR
(5.83 MILLION USD)

Value traded of derivatives in Q2 2024, **up 152.05%** from Q1 2024.

8.66%

The Q-on-Q increase of the market capitalization of the Nomu – Parallel Market, which reached **SAR 55.23 billion** in Q2 2024.

**241
BILLION SAR**
(64.25 BILLION USD)

The value traded on the Main Market by QFIs in Q2 2024, an increase from SAR 237 billion in Q1 2024 and **representing 26.9%** of the total market traded value in Q2 2024.

**66.67%
& 16.67%**

The Q-on-Q growth of newly listed companies on the Main Market and the Nomu – Parallel Market to 238 and 92, respectively, during Q2 2024.

THE SAUDI ARABIAN ECONOMIC OVERVIEW

(Based on data available at the time of publication)

Saudi Arabia's economic activity experienced several positive developments in the first quarter of 2024. GDP growth increased by 1.40% in Q1 2024 compared to -0.6% in Q4 2023. Impressively, Q1 2024 non-oil activities continued to grow by 3.4% year-on-year, representing another testament to the success of the Kingdom's ongoing economic diversification efforts.¹ Comparatively, the OECD average GDP growth stood at 0.40%, while the G20 average GDP growth was 0.90%.

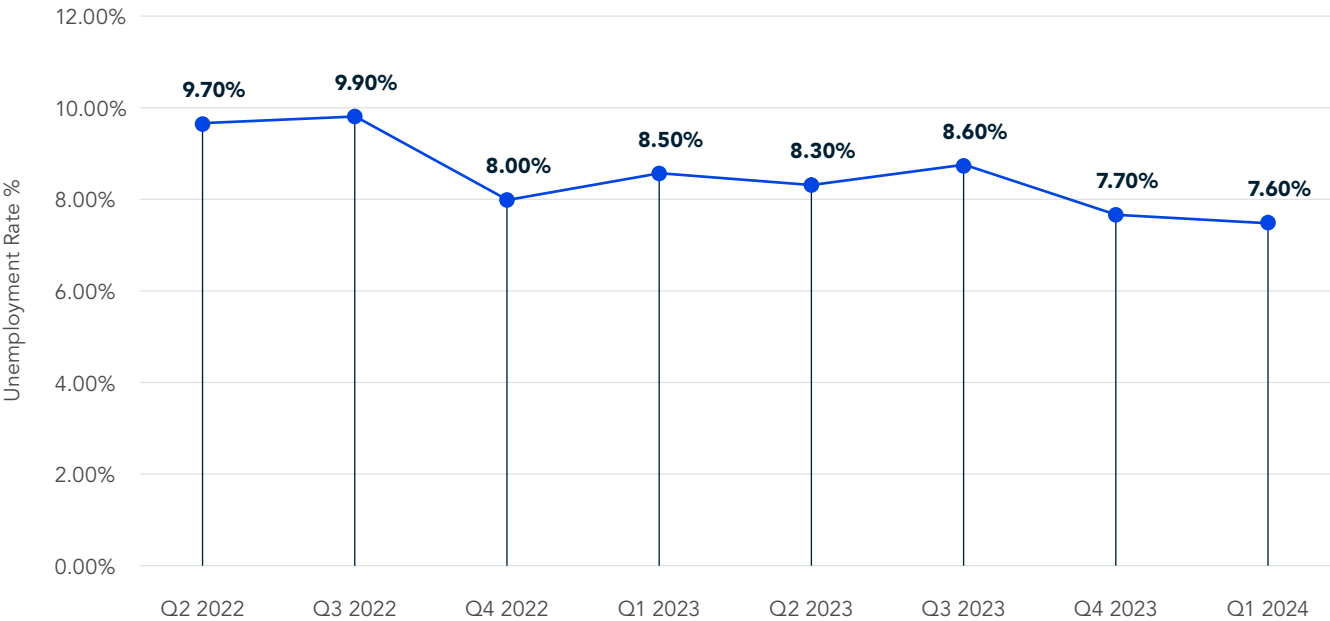
In another positive development, the Saudi nationals' unemployment rate dropped to 7.60% in Q1 2024, down from 7.70% in the previous quarter and marking the lowest level in over nine consecutive quarters. Saudi consumers experienced continued relief as the inflation rate decreased, falling to 1.57% in the second quarter of 2024, down by 0.10% compared to 1.67% in Q1 2024. This marked the lowest inflation rate in eight consecutive quarters.

These metrics paint an encouraging picture for Saudi Arabia's economic outlook and the region's capital market and highlight the important strides the region is making towards achieving economic diversification, as set forth by Vision 2030.

¹<https://www.spa.gov.sa/en/N2119041>

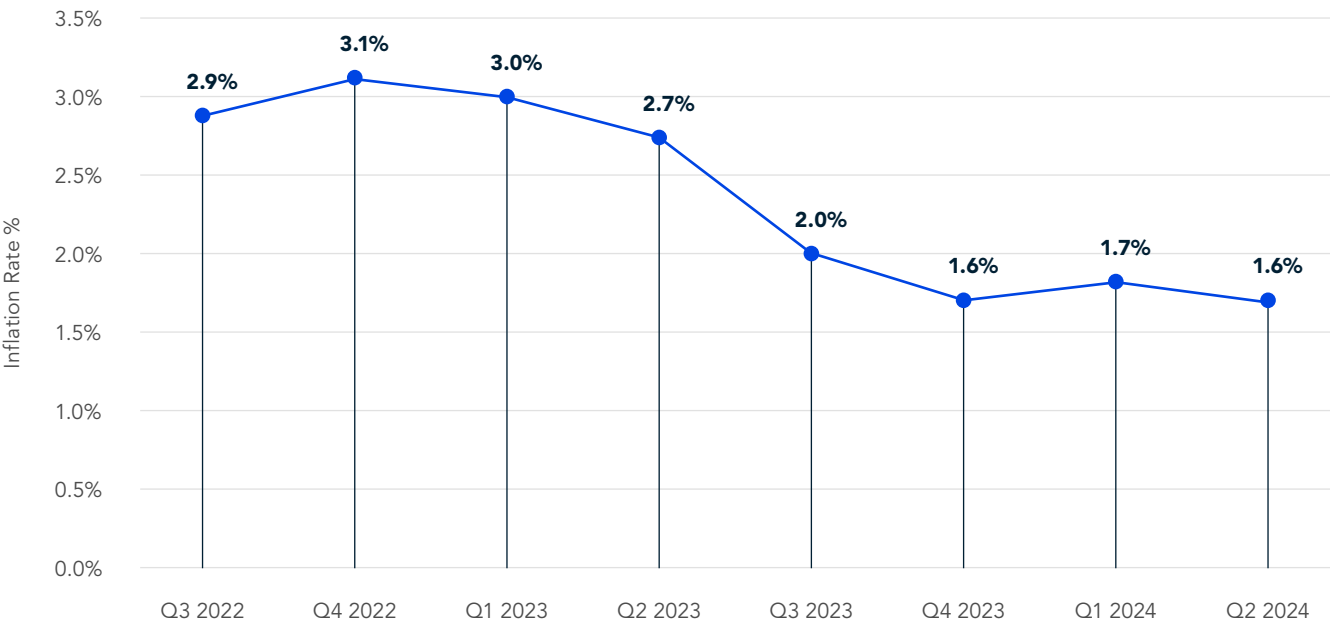
THE SAUDI ARABIAN ECONOMIC OVERVIEW

SAUDI NATIONALS' UNEMPLOYMENT RATE
Q-ON-Q



SOURCE: INFLATION RATE (SAMA.GOV.SA)
LATEST AVAILABLE DATA IS UP TO Q2 2024

INFLATION RATE Q-ON-Q



SOURCE: GENERAL AUTHORITY FOR STATISTICS (STATS.GOV.SA)
LATEST AVAILABLE DATA IS UP TO Q1 2024



MARKET ENHANCEMENTS AND UPDATES

The Saudi Exchange Holds Inaugural Capital Markets Forum Hong Kong (May 2024)

On May 9, 2024, the Saudi Tadawul Group held its inaugural international Capital Markets Forum in Hong Kong, in collaboration with the Hong Kong Stock Exchange, to discuss future global capital flows. As the first international destination for the Group's flagship Capital Markets Forum, the Hong Kong event convened over 300 investors and over 600 other government, finance and business professionals for a day of thought-leadership and networking. This event is an exciting sign of what is to come for the future of collaboration within the two regions, as the Exchange hopes to build a bridge between both capital markets and ecosystems in Saudi Arabia and Hong Kong. The combination of Hong Kong's technological innovation and Saudi Arabia's vision for economic diversification brings unparalleled opportunities to learn from each other and build stronger ties between the two markets.

Saudi Tadawul Group and Sahm Capital Announce Sponsorship of "Invest Wisely Program" (May 2024)

On May 9, 2024, at the Capital Markets Forum in Hong Kong, Saudi Tadawul Group and Sahm Capital announced their sponsorship of the "Invest Wisely Program," set to launch in the second half of 2024. The program will provide a dynamic virtual platform where participants will learn, engage, practice and compete with one another in a simulated trading environment that mirrors the real-life experience of stock market trading.

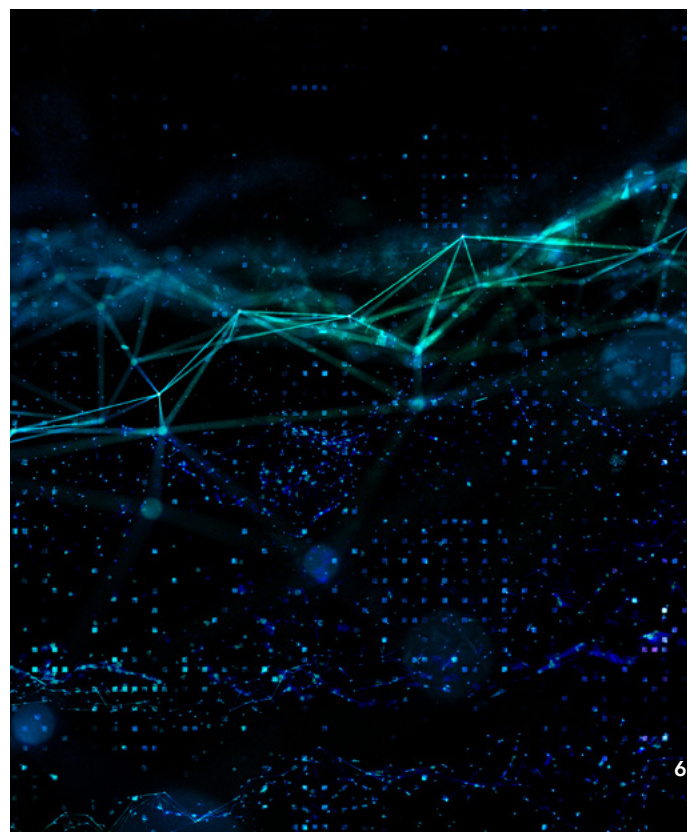
The program is a ground-breaking financial literacy initiative designed to arm existing and future investors with the knowledge and skills necessary to become successful market participants. Participants will have access to investment workshops, learning materials and a cutting-edge simulation platform where participants will create virtual portfolios and trade on the Exchange. As the Group continues to develop a robust, attractive and diversified Saudi capital market, empowering investors with the tools to make informed investment decisions is a key priority.

Saudi Tadawul Group Completes its 32.6% Strategic Stake in Dubai Mercantile Exchange, Creating Gulf Mercantile Exchange (June 2024)

On June 26, 2024, the Saudi Tadawul Group closed its acquisition of a 32.6% stake in DME Holdings Limited, the Dubai Mercantile Exchange's parent company. The Dubai Mercantile Exchange will rebrand to the Gulf Mercantile Exchange (GME) effective September 2, 2024, to better reflect the broadened vision of the Exchange following the addition of the Saudi Tadawul Group as a strategic shareholder.

As a result of the transaction, the Group is the joint largest shareholder in DME Holdings Limited alongside CME Group, with other shareholders including the Oman Investment Authority and Dubai Holding as well as global financial and commercial industry leaders. The investment represents a significant opportunity to leverage world-class capabilities and expertise, accelerating GME's growth as a regional commodities leader well-positioned to capture global commodity demand.

The acquisition will support the development of a strong, diverse Saudi capital market, leveraging the Middle East's geographic proximity to both key commodity production hubs and end-markets, with GME serving as a bridge between production and end-markets. Furthermore, the partnership will enable GME to capture demand for energy, metals and agricultural commodity markets.





LEADERSHIP INSIGHTS



Laying the Foundation for the Future of Dual Listings on the Saudi Exchange

In May 2024, the Saudi Exchange published its much-anticipated guidelines for offering and listing foreign companies on the Main Market. The publication marks the latest milestone in the Exchange's efforts to improve accessibility to the market for foreign listings and investors, as well as develop an advanced capital market in line with Vision 2030 and the Financial Sector Development Program.

Below, **Nasser Alajaji, Saudi Exchange Chief of Listings**, discusses the Exchange's ongoing work to establish the infrastructure necessary to support dual listings, the critical role dual listings play in supporting the Exchange's IPO pipeline and their significance to enabling foreign issuers to access the Saudi capital market.

What are the benefits that dual and cross listings offer to issuers and investors, as well as the broader Saudi capital market?

Dual and cross listings offer substantial benefits for issuers and investors alike and help to further integrate the Saudi capital market into the global financial system.

For issuers, cross and dual listings open additional avenues to raise capital across a wider geographic scope and reach a more global and diverse investor base. Saudi Arabia operates in an advantageous time zone for the financial markets of the East and West, providing the opportunity to extend a cross or dual listed company's trading hours, thereby allowing increased trading time and activity. This extended window facilitates more fluid trading, and potential benefits include improved price discovery and additional liquidity.

For investors, dual listings increase the investment opportunities available in the Saudi capital market. A broader range of companies listed on the Exchange means Saudi investors at every level, as well as foreign investors active in the Saudi market, have access to a more diversified set of investment opportunities.

As the Exchange continues to work to increase our international reach, including through our inclusion in global indices and the unveiling of enhanced products and infrastructure, the direct integration offered by a cross listing serves as a testament to international confidence in our capital market. We continue to work towards supporting this goal through additional avenues such as partnerships with other exchanges. For example, in February 2023, our parent company Saudi Tadawul Group signed a memorandum of understanding with Hong Kong Exchanges and Clearing Limited (HKEX) to explore cooperation opportunities in several areas including dual listings. During this quarter a memorandum of understanding was signed with the Johannesburg Stock Exchange specifically focused on fostering new dual listing opportunities.

Could you elaborate on the recently published [Guideline Manual for Foreign Companies Offering and Listing on the Main Market](#) – what infrastructure and process do the guidelines create, and how do they help foreign companies exploring a dual listing?

While dual and cross listings are already an active feature of the Saudi capital market, following [Americana's successful dual listing in 2022 on the Saudi Exchange and ADX](#), the recently published guidelines represent an important step forward for the Exchange. The guidelines clarify the criteria for dual and cross listings, helping to streamline the process, reduce any uncertainty and encourage future listings among international issuers.

The guidelines solidify several eligibility criteria for non-Saudi companies looking to dual or cross list, including company type, minimum market capitalization, format of financial statements, selected auditor, and compliance with regulations issued by the Saudi Capital Market Authority.

Importantly, a non-Saudi company looking to cross or dual list on the Exchange's Main Market must also demonstrate the added value it will deliver to the Saudi market and the local economy. [We hope to ensure that the objectives of foreign issuers align with those of the Kingdom as we continue our path forward under Vision 2030.]

Lastly, one of the most important features introduced under the guidelines is a preliminary assessment process, during which non-Saudi companies interested in a cross or dual listing obtain initial approval from the Exchange before preparing their listing application. This is beneficial to non-Saudi companies pursuing a cross or dual listing, to avoid expending time, resources and costs in preparing the listing application.



How does publication of the guidelines and efforts to promote dual and cross listing opportunities align with the Saudi Exchange's broader strategic goals?

Through the publication of guidelines for dual and cross listings, we hope to promote the Exchange as a home for these listings, and reinforce Saudi Arabia's position as a global financial hub.

The Exchange already plays a critical role in the international financial ecosystem by serving as a crucial link between the Kingdom and global financial markets. The growth of cross and dual listings will help to not only further elevate our international profile, but also to attract a diverse array of investors and issuers from around the world – enriching the opportunities available in the Saudi capital market. All of this will foster a more dynamic and competitive capital market, both of which are important factors in our market's continued growth. When taken together, all of these efforts align with and advance the goals of Vision 2030 and the Financial Sector Development Program. It's one step forward in the much larger journey we are embarking on.

The success of 2022's Americana IPO and dual listing, which raised \$1.8 billion across the Saudi Exchange and ADX, represents the opportunity in our market.

At their core, dual and cross listings are the embodiment of the Exchange's role as a financial link between global financial markets. By laying the groundwork for their success, we further strengthen our position as an outward facing, forward looking top-tier global exchange.



EQUITIES

The market capitalization on the Saudi Exchange's Nomu – Parallel Market increased in the second quarter of 2024, while on the Main Market, market capitalization fell slightly from the previous quarter. Still, the number of listed companies increased across both markets compared to the previous quarter.

While the market capitalization on the Saudi Exchange's Main Market decreased by 8.07% from the previous quarter to SAR 10.05 trillion, the number of newly listed companies grew at an impressive 66.67% during the second quarter, with five new listings and only one delisting on the Main Market.

The market capitalization on Nomu – Parallel Market continued to build on last quarter's growth, increasing by a strong 8.66% from the previous quarter to SAR 55.23 billion, during which period there were seven new listings and no delistings. The daily average number of trades also increased by 15.40% to 3,405 during the same period.

MAIN MARKET Q2 2024

MARKET CAPITALIZATION (SAR)

10.05 trillion
(-8.07%) ▼

VALUE TRADED (SAR)

447.47 billion
(-22.30%) ▼

LISTED COMPANIES

238
(+4) ▲

TADAWUL ALL SHARE INDEX (TASI) CLOSING

11,679.50
(-5.82%) ▼

NOMU – PARALLEL MARKET Q2 2024

MARKET CAPITALIZATION (SAR)

55.23 billion
(+8.66%) ▲

VALUE TRADED (SAR)

2.69 billion
(-18.91%) ▼

LISTED COMPANIES

92
(+7) ▲

PARALLEL MARKET CAPPED INDEX
(NOMUC) CLOSING

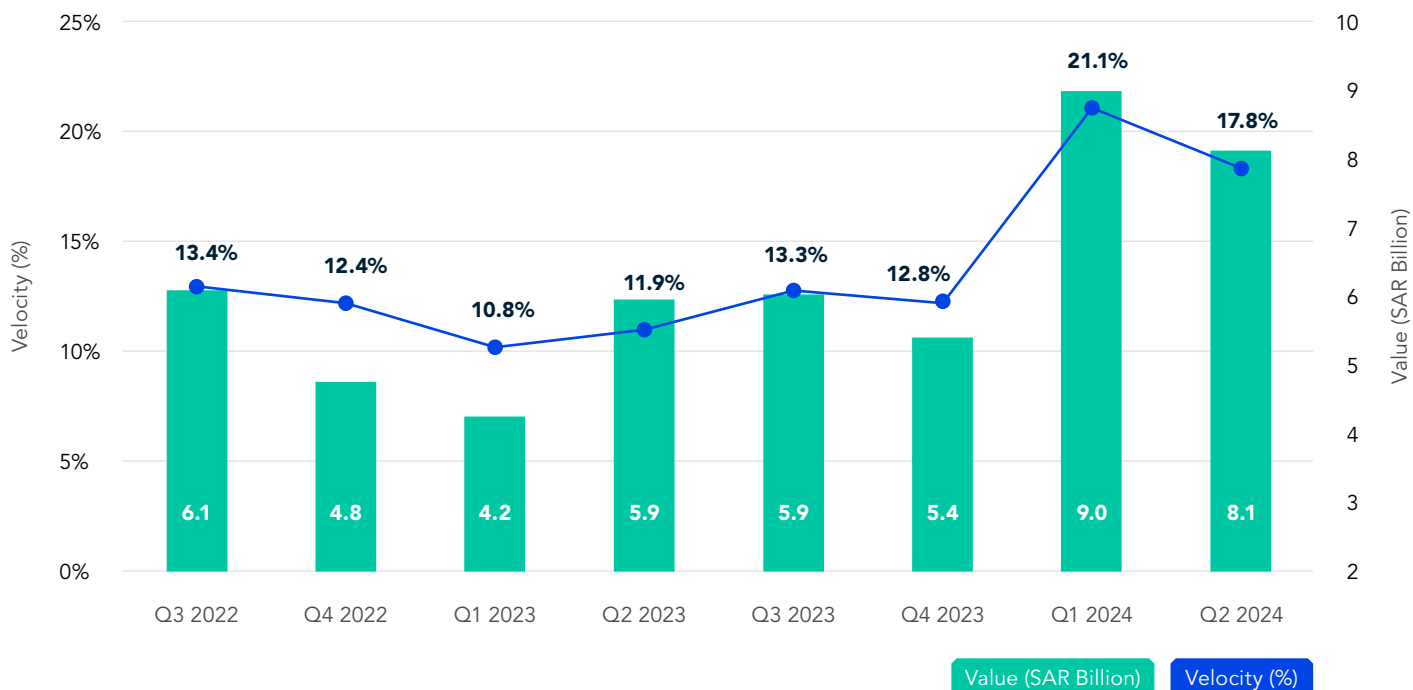
26,145.76
(+0.44%) ▲



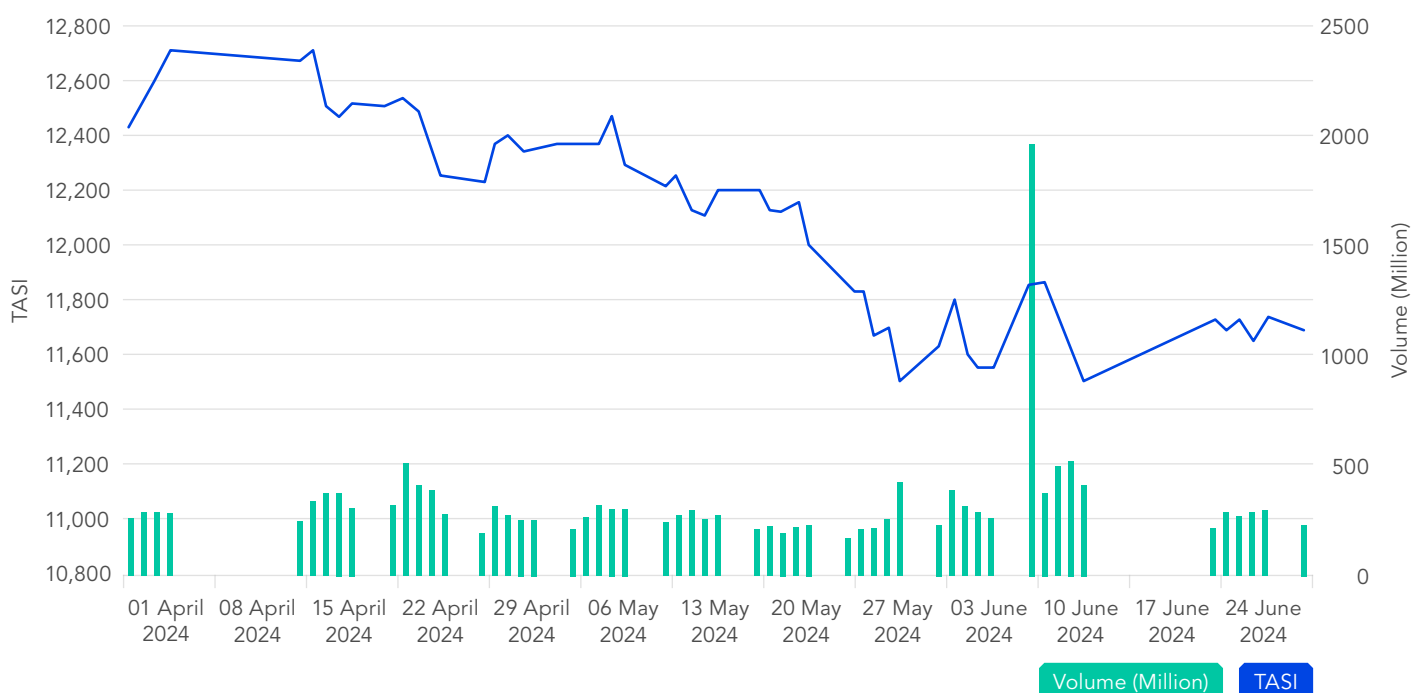
EQUITIES

During the second quarter, the average daily value traded on the Main Market decreased to SAR 8.13 billion, but when compared to the same period last year was still up considerably, by 37.68%.

AVERAGE DAILY VALUE TRADED & VELOCITY



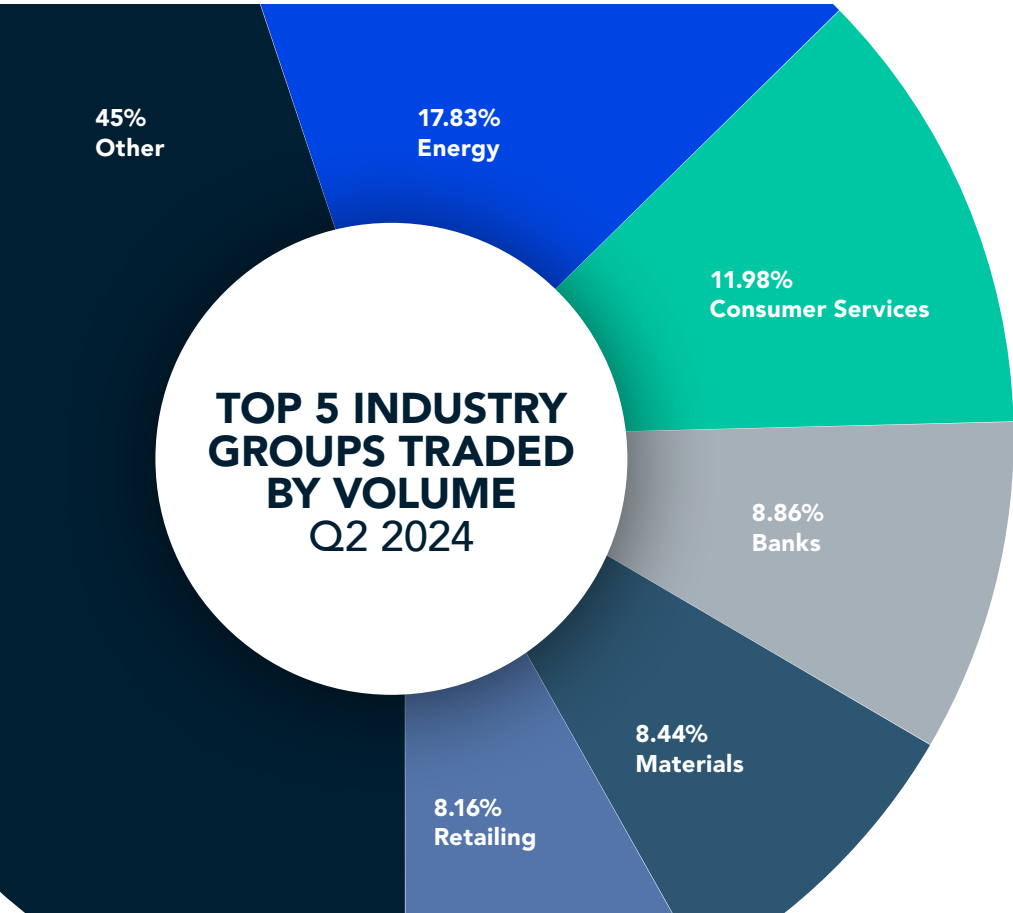
PERFORMANCE OF TASI & VOLUME TRADED



NOTE: TRADING WAS CLOSED APRIL 5-13 AND JUNE 14-22 DUE TO EID.



During the second quarter of 2024, energy and consumer services were the most active industry groups in terms of volume traded, while energy and banks were the most active in terms of value traded.

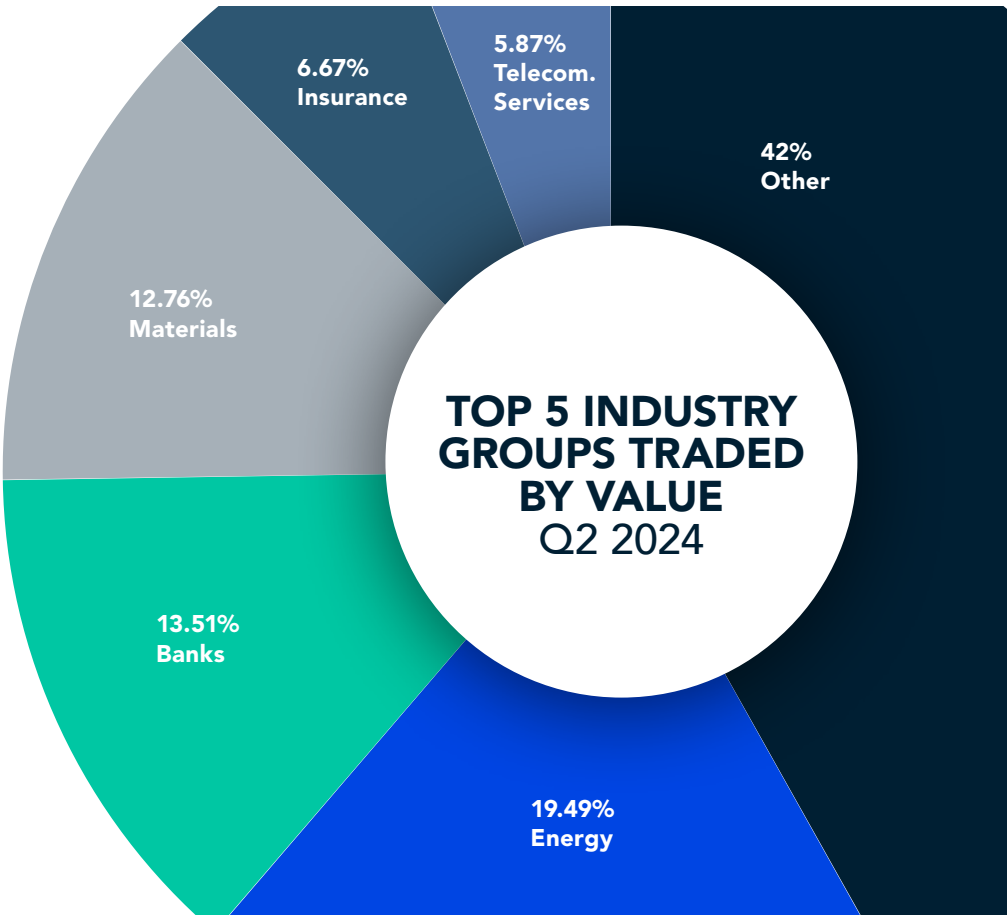


All Sectors

Energy	17.83%
Consumer Services	11.98%
Banks	8.86%
Materials	8.44%
Retailing	8.16%
Capital Goods	7.70%
Insurance	5.12%
Diversified Financials	4.64%
Commercial & Professional Svc	4.08%
Health Care Equipment & Svc	3.94%
Real Estate Mgmt & Dev't	3.72%
Telecommunication Services	3.34%
Food & Beverages	2.33%
Consumer Durables & Apparel	2.08%
Food & Staples Retailing	1.90%
Utilities	1.89%
Transportation	1.35%
Software & Services	0.95%
REITs	0.78%
Pharma, Biotech & Life Science	0.48%
Media and Entertainment	0.41%

All Sectors

Energy	19.49%
Banks	13.51%
Materials	12.76%
Insurance	6.67%
Telecommunication Services	5.87%
Utilities	5.03%
Health Care Equipment & Svc	4.78%
Capital Goods	4.56%
Transportation	4.51%
Food & Beverages	4.01%
Real Estate Mgmt & Dev't	3.02%
Consumer Services	2.60%
Retailing	2.34%
Software & Services	2.26%
Diversified Financials	1.86%
Food & Staples Retailing	1.76%
Commercial & Professional Svc	1.59%
Media and Entertainment	1.29%
Pharma, Biotech & Life Science	1.11%
Consumer Durables & Apparel	0.74%
REITs	0.24%





SUKUK & BONDS

The total size of sukuk and bonds issuance on the Saudi Exchange rose by 6.70% to SAR 601.74 billion in the second quarter of 2024, with three new listings and four delistings.

The value traded of sukuk, and bonds soared 290.47% in the second quarter to SAR 7.72 billion. While the number of trades contracted slightly to 11,244 in the second quarter, this figure still represents a 31% increase year-on-year compared to the second quarter of 2023.

SUKUK / BONDS Q2 2024 OVERVIEW

TOTAL SIZE OF ISSUANCE (SAR)

601.74 billion
(+6.70%) ▲

SUKUK AND BONDS MARKET INDEX CLOSING

887.59
(-0.46%) ▼

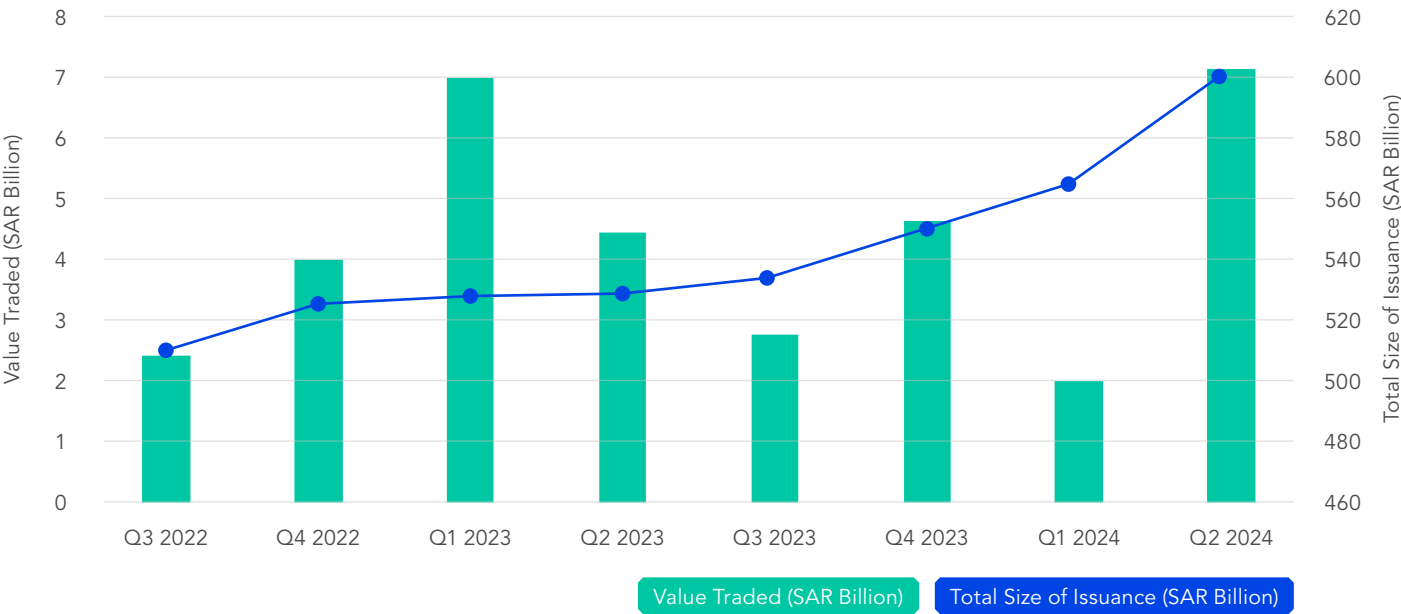
LISTED SUKUK AND BONDS

70
(-1) ▼

Q2 2024 V. Q1 2024

	Q2 2024	% CHANGE Q-ON-Q
NUMBER OF TRADES	11,244	-6.32% ▼
NOMINAL VALUE TRADED (SAR)	7.09 billion	+282.85% ▲
VALUE TRADED (SAR)	7.72 billion	+290.47% ▲

SUKUK & BONDS TOTAL SIZE OF ISSUANCE AND VALUE TRADED



*AS AT THE END OF THE QUARTER



DERIVATIVES

The value of derivatives contracts traded on the Saudi Exchange rose to SAR 21.89 million during the second quarter of 2024, a formidable increase of 152.05% compared to the previous quarter.

Further, while the volume of contracts traded on the Saudi Exchange declined to 821 during the second quarter of 2024, the number of trades still increased by 38.46% to 54.

DERIVATIVES Q2 2024 OVERVIEW

VALUE TRADED

21.89 million
(+152.05%) ▲

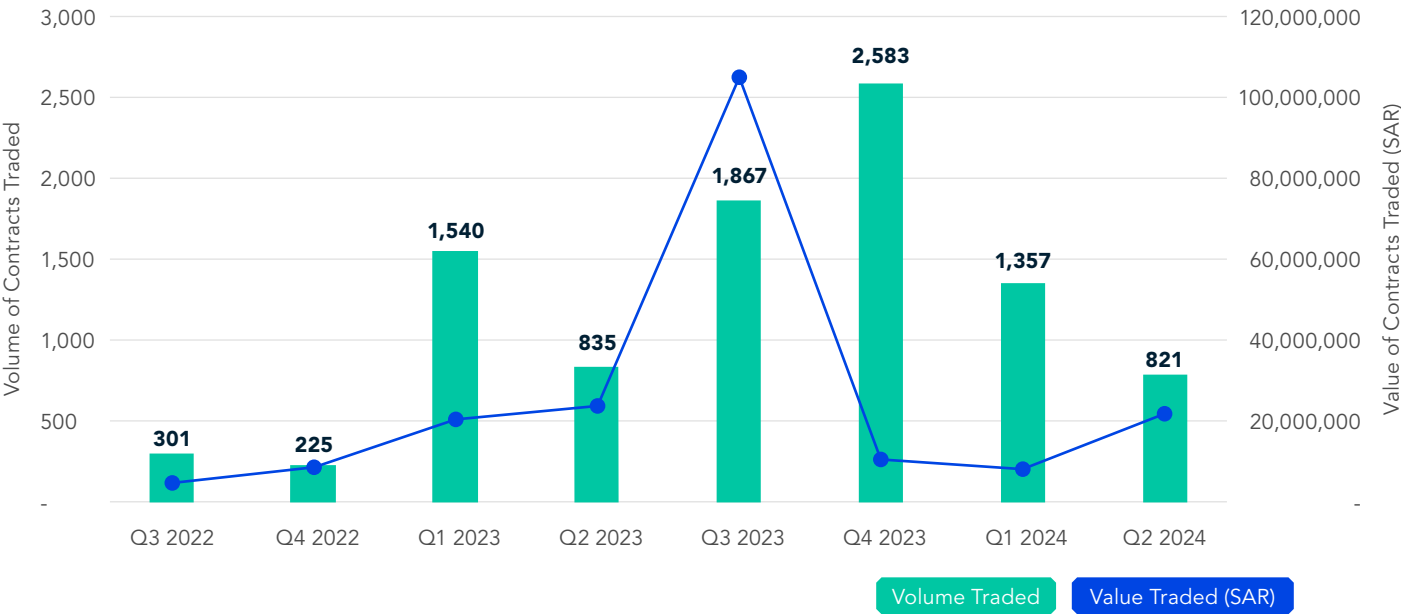
NUMBER OF TRADES

54
(+38.46%) ▲

DERIVATIVES MONTHLY TRADING STATISTICS Q2 2024

	APRIL	MAY	JUNE
VOLUME TRADED	500	321	0
VALUE TRADED (SAR)	2,885,000	19,013,000	0
NUMBER OF TRADES	5	49	0

VOLUME & VALUE TRADED OF DERIVATIVES CONTRACTS





OWNERSHIP

Foreign ownership across both of the Saudi Exchange’s markets contracted slightly in the second quarter of 2024.

The value of foreign investors’ holdings decreased by 3.92% to SAR 402.43 billion in the Main Market compared to the previous quarter,

which still represented a 7.06% rise year-on-year. During the same period, while the value of foreign investors’ holdings decreased by a minor 0.65% to SAR 858.78 million in Nomu – Parallel Market, it still represented an impressive 46.32% rise year-on-year.

FOREIGN INVESTOR OWNERSHIP* Q2 2024 OVERVIEW

MAIN MARKET HOLDING VALUE (SAR)

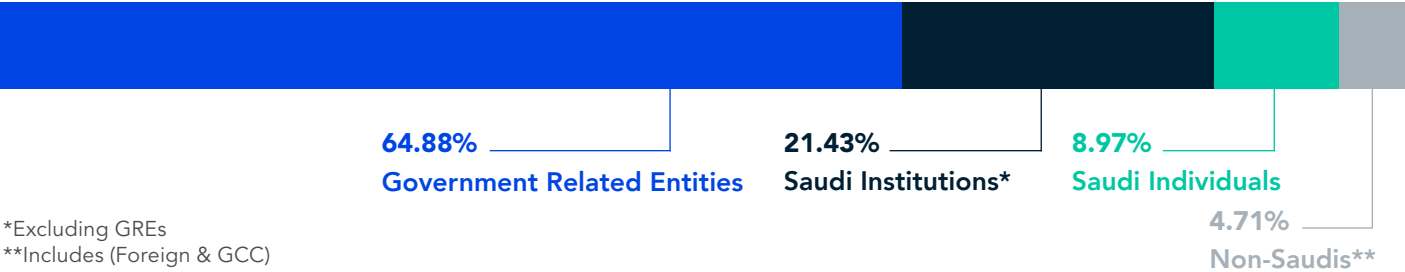
402.43 billion
(-3.92%) ▼

NOMU - PARALLEL MARKET HOLDING VALUE (SAR)

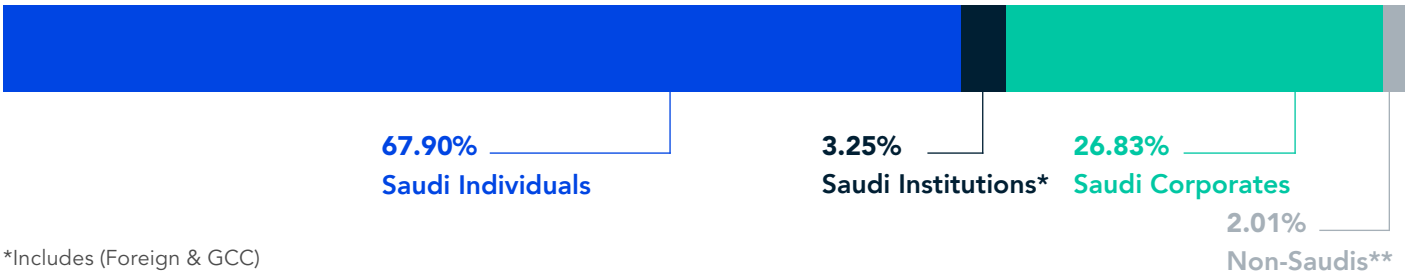
858.78 million
(-0.65%) ▼

*Includes SWAP Holders, Foreign Residents & Others, QFIs, Foreign DPMs and Foreign Strategic Investors

OWNERSHIP BY INVESTOR TYPE Q2 2024 (MAIN MARKET)



OWNERSHIP BY INVESTOR TYPE Q2 2024 (NOMU-PARALLEL MARKET)



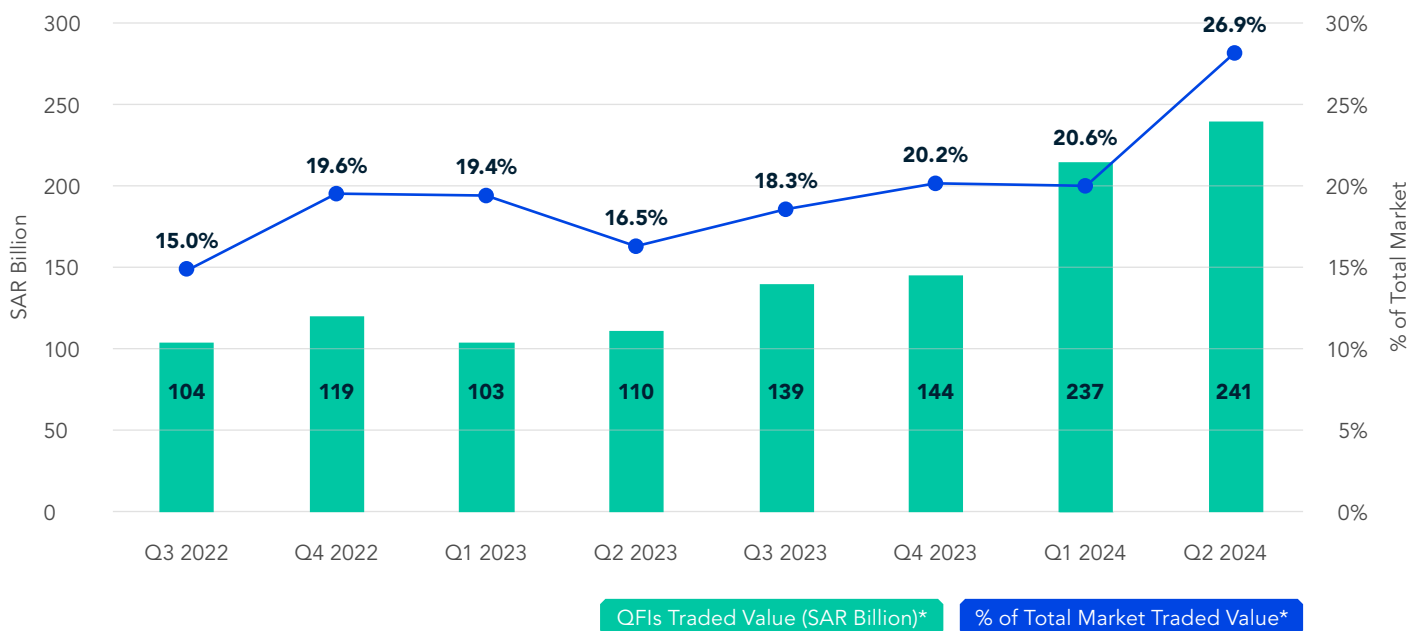
Attracting QFIs continues to be a priority for the Saudi capital market. At the close of the second quarter of 2024, their holdings in Saudi-listed firms stood at SAR 320 billion, and the percent of the total market that QFIs represent increased slightly to 3.1%. During the same period, the value traded on the Main Market by QFIs rose to SAR 241 billion

from SAR 237 billion in the previous quarter, representing 26.9% of the total market traded value. These increases are encouraging signals, as the Saudi Exchange continues to create a diversified and attractive investment destination for both local and foreign investors.

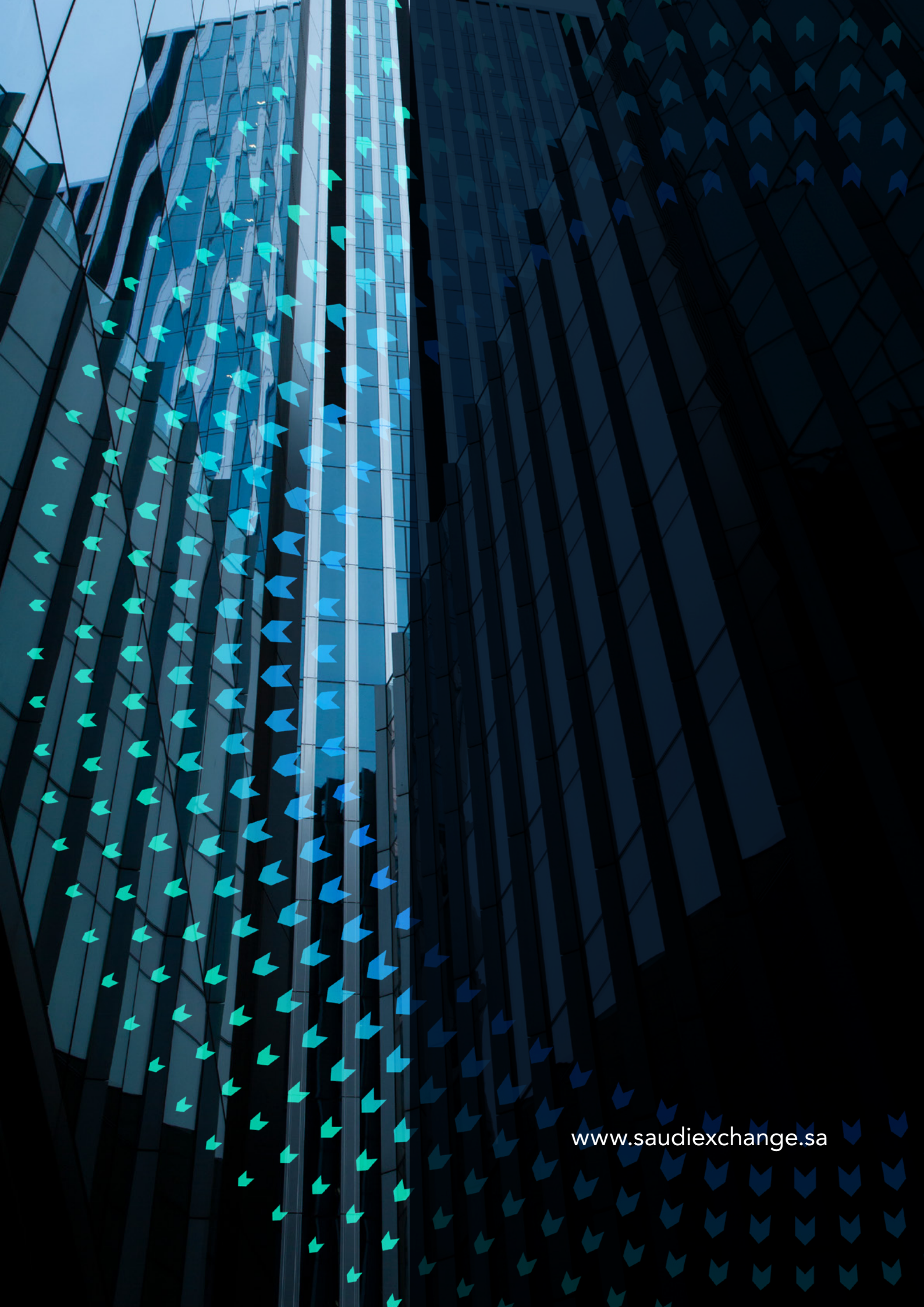


OWNERSHIP

QFI TRADING VALUE - MAIN MARKET ONLY (BILLION SAR)



* AS AT THE END OF THE QUARTER



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