Market Performance

Recent Market Turmoil

October 2023

Tharaa Financial Center

PSU-1998

Summary

Tharaa Financial Center

Overview of Global Markets and Sectors Performance

- The global markets faced a downward trend with the S&P500(-7%), SCHOMP(-6%), and Euro Stoxx600 (-7%) primarily due the recent hikes in interest rates, inflationary pressures, and diminishing investor sentiment.
- As a result of this challenging investment environment, TASI also declined by -13% mirroring the global markets.
- During the past three months, the majority of sectors in both TASI and the S&P500 have shown a negative performance, indicating prevailing difficulties in the market.
- Most of the sectors in the S&P500 were negative led by the Utility and Real-Estate sectors. As for TASI, the medically related sectors, such as Pharmaceuticals and Health Care, were a major drag on the index.
- Energy and Insurance were the only two sectors that experienced a positive performance with modest returns of 2.3% and 0.3%, respectively.
- Out of all the top heaviest weighted stocks in the index, only two of them showed positive performance, while the remaining stocks experienced negative returns exceeding -10%.
- ACWA Power and Aramco were the only two heavyweights with positive returns. Their performance helped temper the losses on TASI due to their substantial size within the index.

Worst & Best Performance

- Atheeb Telecom and Arabian Pipes emerged as the top-performing stocks, delivering impressive gains of 51% and 47%, respectively. However, their peak performance was interrupted by the Palestine conflict, leading to a subsequent decline.
- DWF, MARAFIQ, and HB were among the worst-performing stocks with significant declines of -36%, -37%, and -37%, respectively. In comparison, the TASI recorded a decline of -13% during the same period.
- Atheeb Telecom and Arabian Pipes have exhibited a robust 3-month performance, whereas the 10 worst-performing stocks all substantially declined, falling in excess of -30%.

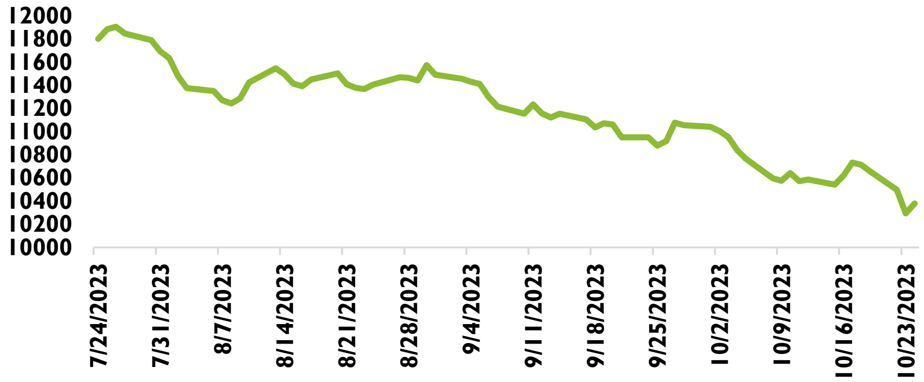
Potential Causes

- A rise in the interest rate environment coupled with increasing inflation likely played a significant role in the widespread decline across global markets and stock indices.
- Additionally, the heightened political tensions from the growing conflict between Palestine and Israel added to the uncertainty sentiment that likely contributed to pressure on the markets.
- Stable oil prices caused the energy sector to remain positive despite the overwhelming market turmoil.

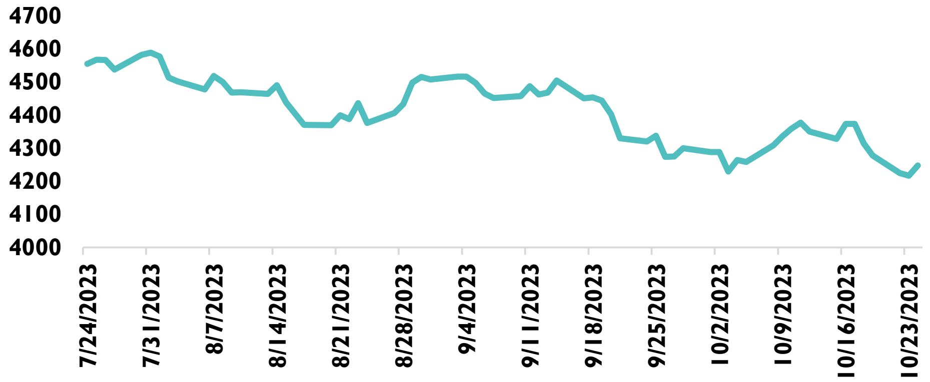
Overview of Global Markets Performance

TASI has experienced a downward trend in the past three months, mirroring the global market, primarily due the recent hikes in interest rates, inflationary pressures, and diminishing investor sentiment

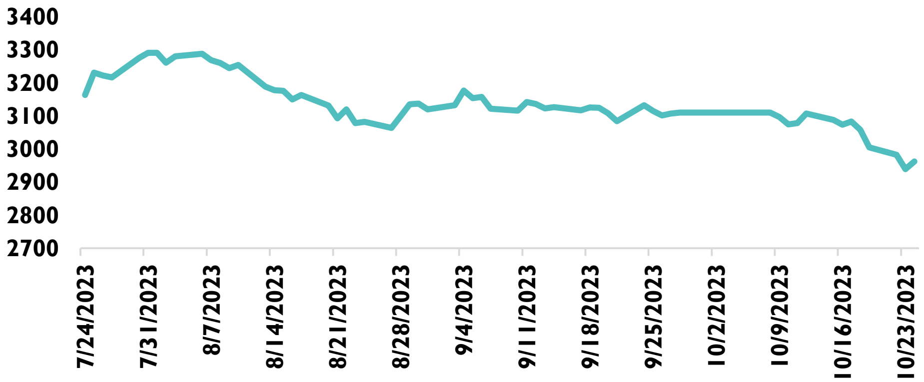
TASI



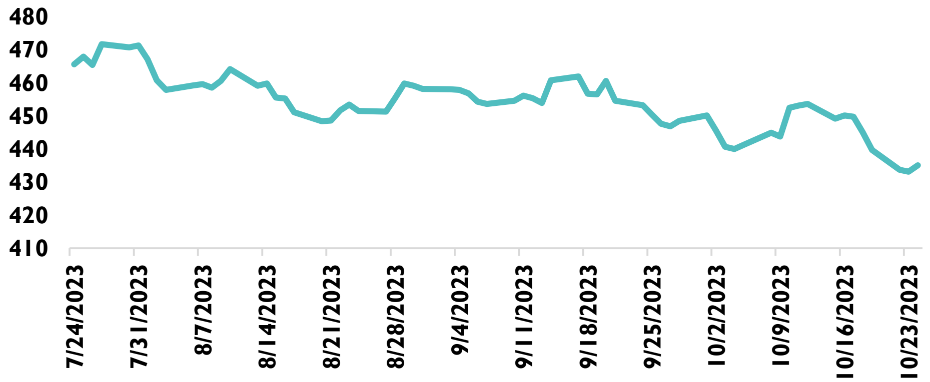
S&P500



SHCOMP



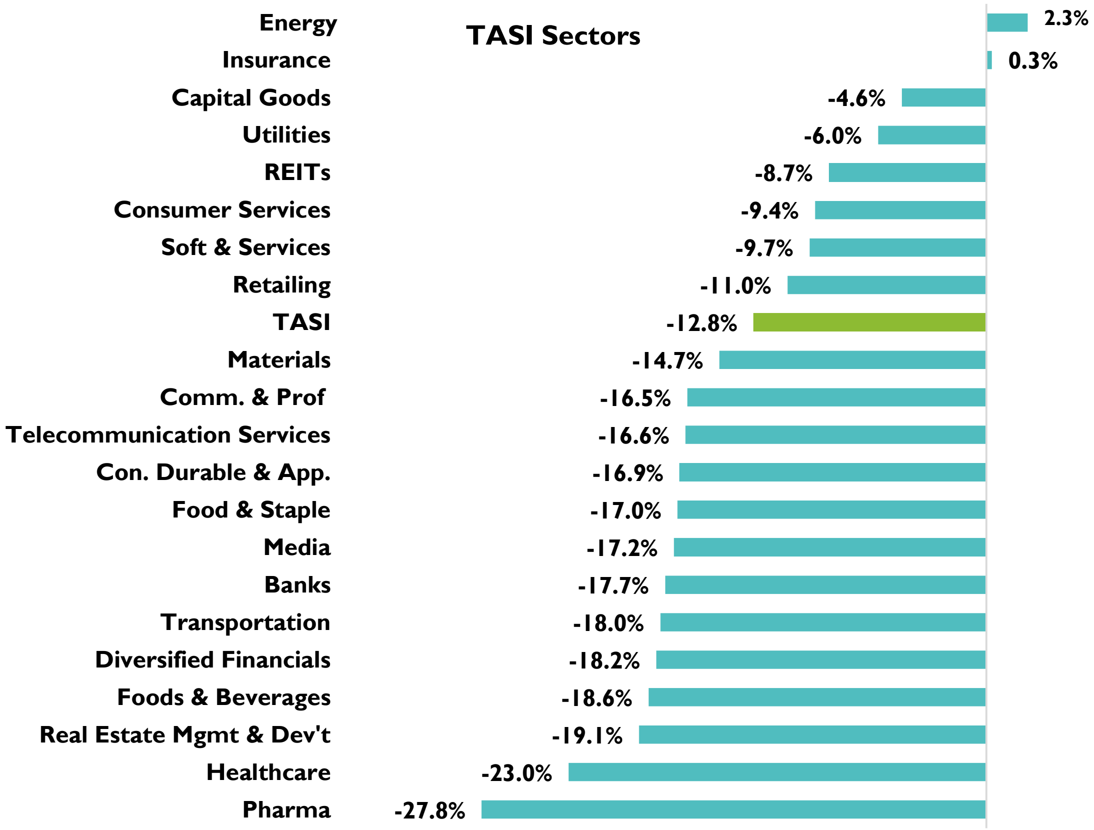
EURO STOXX 600

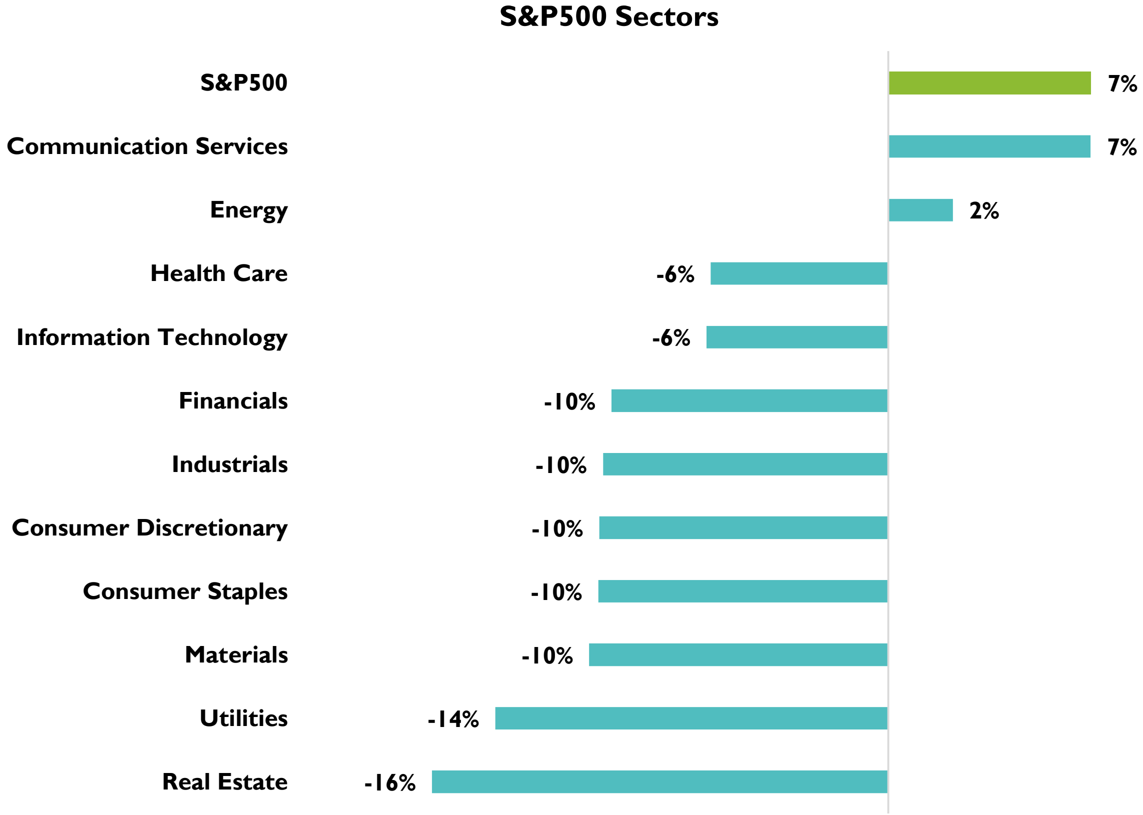


Source: Bloomberg, Tharaa
** As of 24/7/2023*

Overview of Global Sector Performance

During the past three months, the majority of sectors in both TASI and the S&P500 have shown a negative performance, indicating prevailing difficulties in the market





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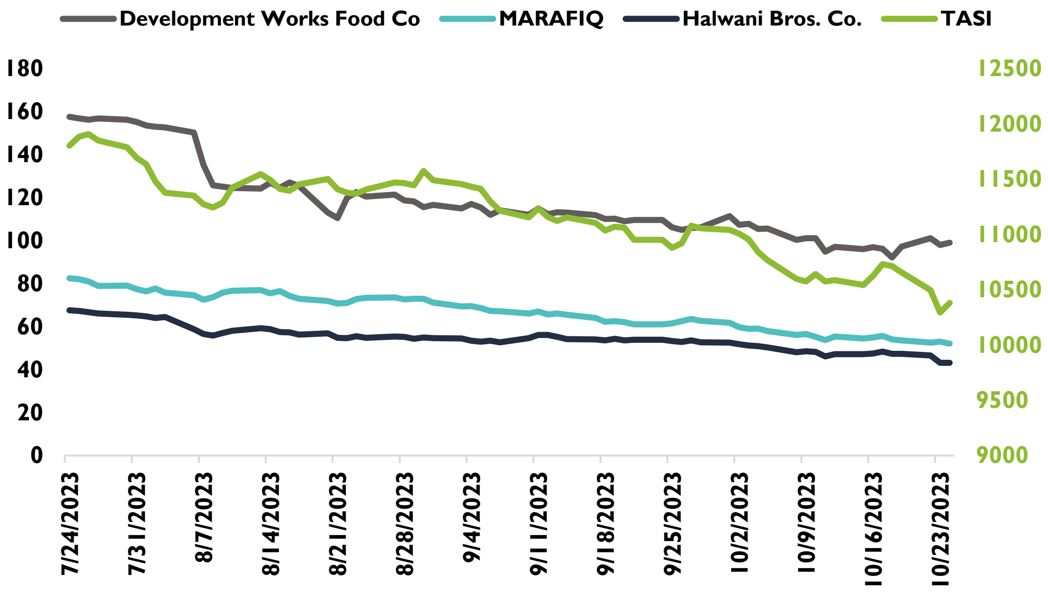
Worst & Best Performance

Worst Performance

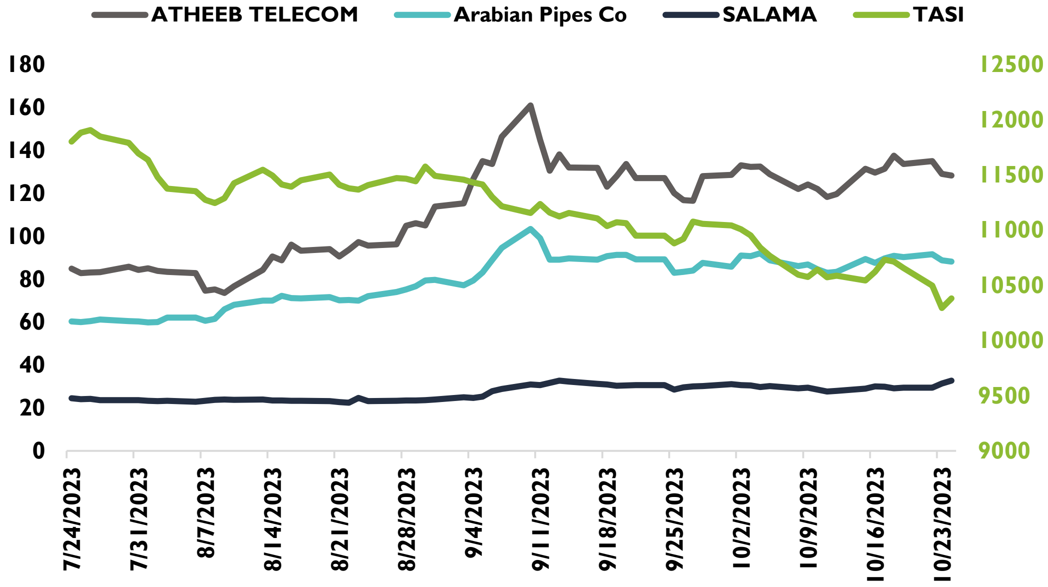


TASI levels are displayed on the right axis

- DWF, MARAFIQ, and HB were among the worst-performing stocks with significant declines of -36%, -37%, and -37%, respectively. In comparison, the TASI recorded a decline of -13% during the same period.

- Atheeb Telecom and Arabian Pipes emerged as the top-performing stocks, delivering impressive gains of 51% and 47%, respectively. However, their peak performance was interrupted by the Palestine conflict, leading to a subsequent decline.

Best Performance



Source: Bloomberg, Tharaa
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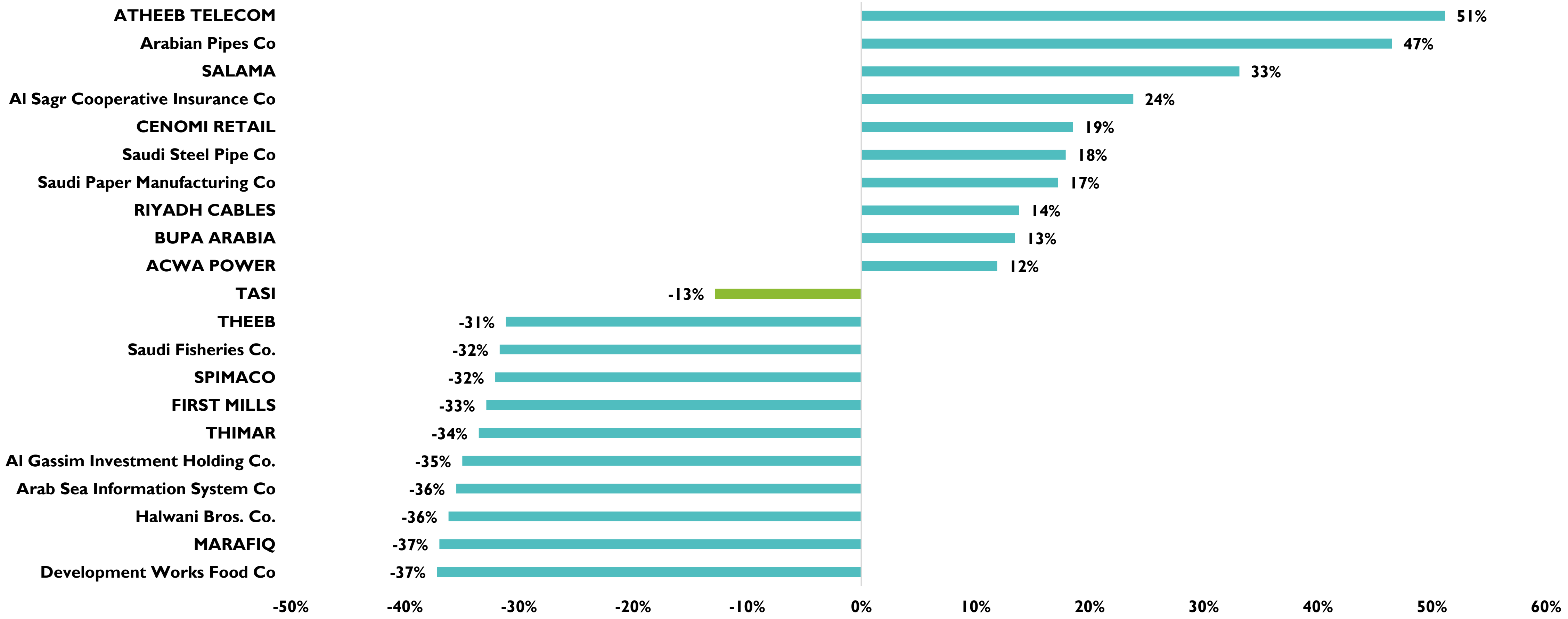
Worst & Best Performance

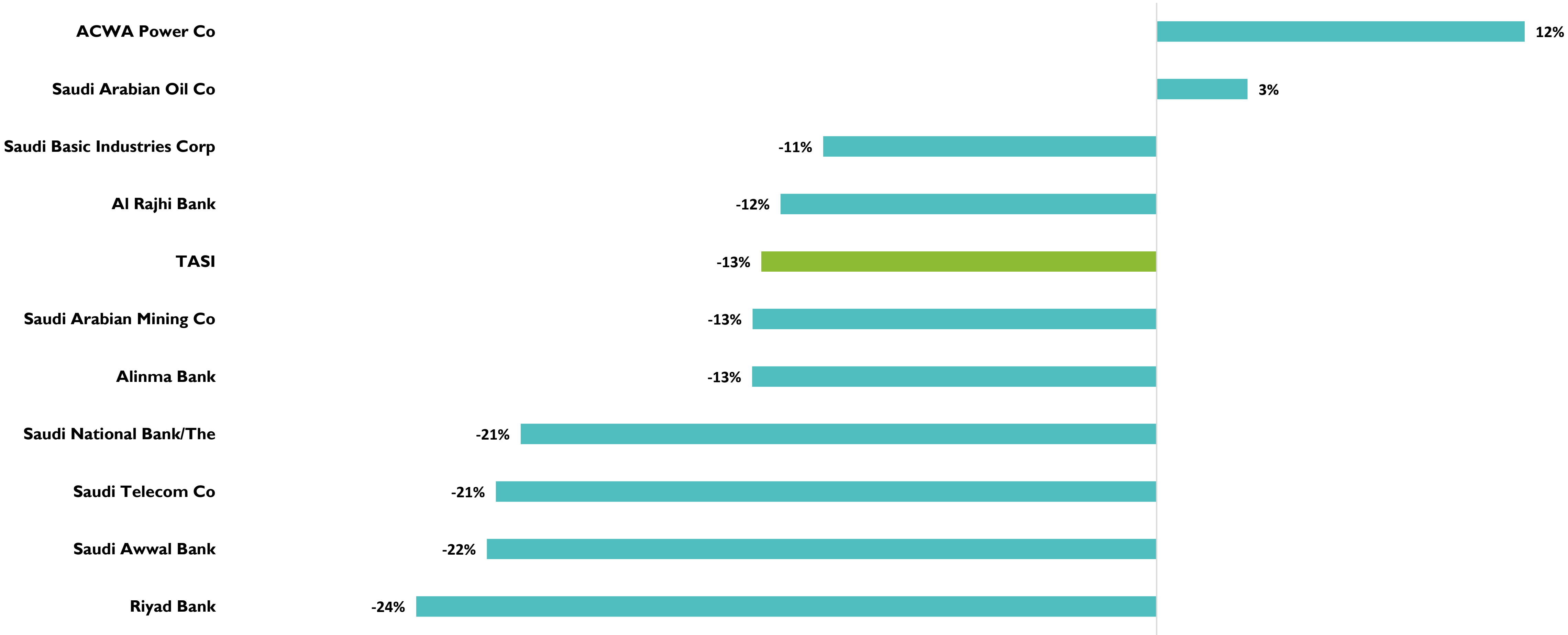
Atheeb Telecom and Arabian Pipes have exhibited a robust 3-month performance, whereas the 10 worst-performing stocks all substantially declined, falling in excess of -30%



Source: Bloomberg, Tharaa
** As of 24/7/2023*

Heavyweight Stocks Performance

Out of all the major heavyweight stocks in the index, only two of them showed a positive performance, while the remaining stocks experienced negative returns exceeding -10%



Source: Bloomberg, Tharaa
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Disclaimer

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