TASI-Ramadan Effect* on Returns & Volumes

March 2023

*Past Data converted to Hijri Calendar

Summary

Ramadan Effects on Returns

- Despite significant drop in volumes on sequential basis during the month of Holy Ramadan in the past years, monthly returns have remained unaffected. TASI has provided positive MoM returns for at least 14 times during the holy month in the past 23 years (data converted to Hijri calendar).
- More interestingly, data shows average return in Ramadan (1.2%) has outperformed the average return of the remaining 11 months by 40bp
- The highest return in Ramadan was recorded in 1425 (Year: 2004) of 16%, and the lowest return was in 1429 of -15% (Year: 2008).

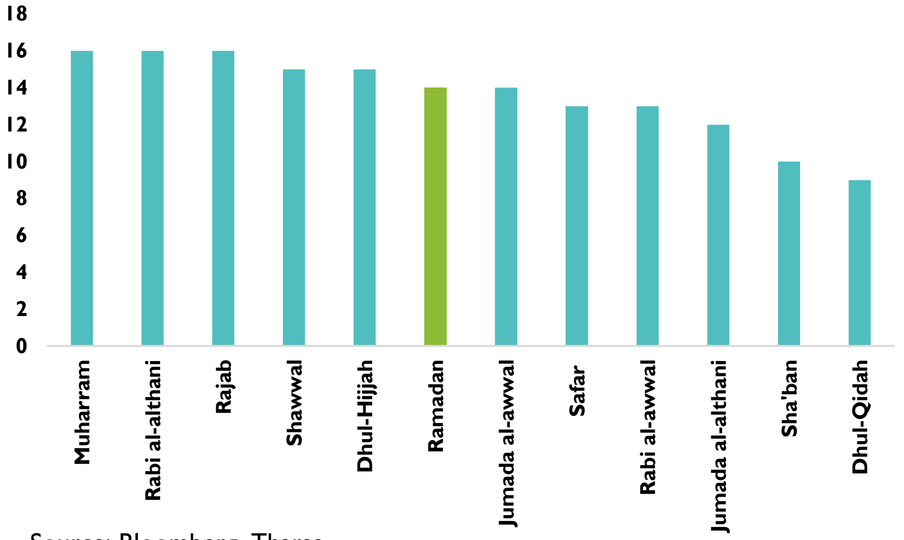
Ramadan Effect on Volumes

- Volumes during the holy month of Ramadan have dropped by an average -17.2% MoM. However, the drop in volumes in Ramadan relative to the annual monthly average for the past 17 years is relatively more pronounced (-48%).
- However, the drop in volumes is not a foregone conclusion. The traded volumes during the holy month have recorded sequential jumps for at least five times in the past 17 years.
- The past data shows the average volume of trading during the month of Ramadan was 152mn shares, while the average volume of trading during the remaining 11 months (excluding the month of Ramadan) was 224mn shares.

Ramadan Effects on Returns

14 out of 23 years, TASI has provided positive returns during the holy month of Ramadan

Frequency of positive return over the last 23 years

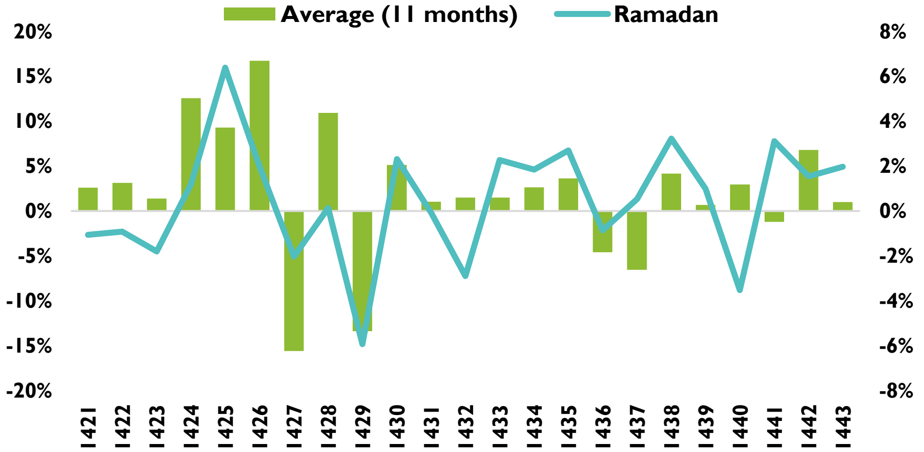


Source: Bloomberg, Tharaa

- Monthly returns during the holy month of Ramadan have largely remained unaffected despite significant drop in volumes on sequential basis.
- Out of 23 data points, TASI has provided positive MoM returns for at least 14 times during the holy month.

- The past 23 year data reveals the average returns during the holy month of Ramadan of 1.2% is higher than the average return of 0.8% for the remaining 11 months.
- The highest return in Ramadan was in 1425 (Year: 2004) of 16%, and the lowest return was in 1429 of -15% (Year: 2008).

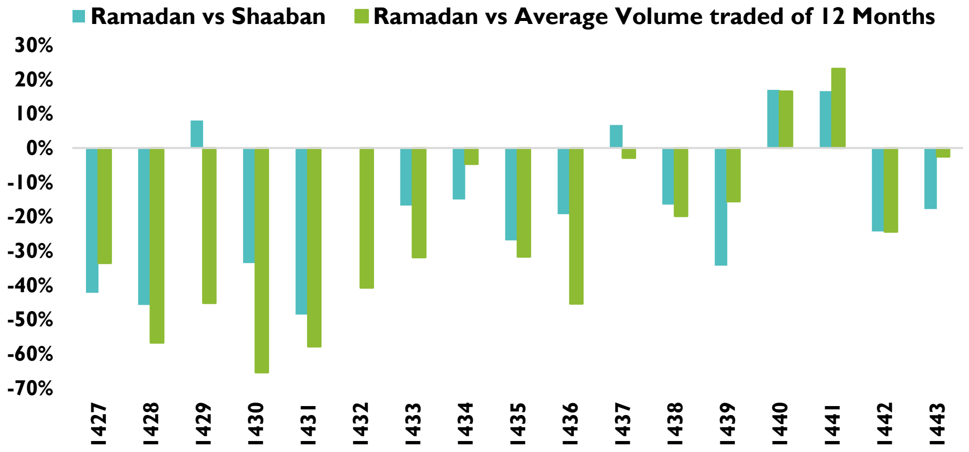
Average return in Ramadan has outperformed the average return of the remaining 11 months by 40bp



Source: Bloomberg, Tharaa

Ramadan Effect on Volumes

A comparison of Ramadan trading volumes



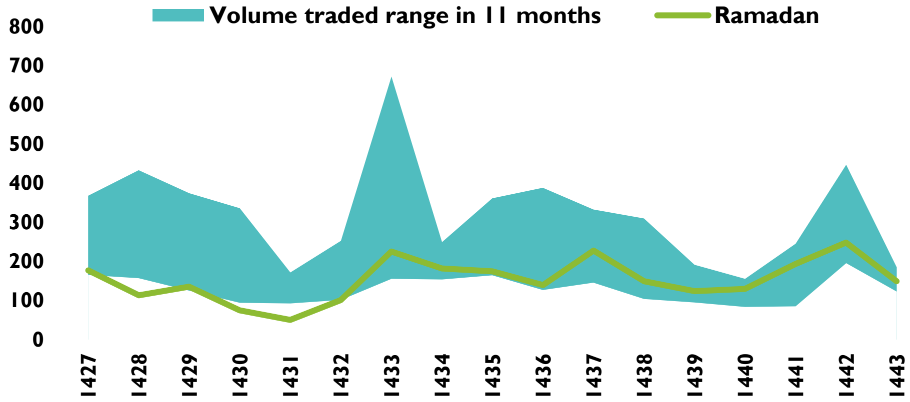
Source: Bloomberg, Tharaa Financial Center

- Volumes during the holy month of Ramadan have dropped by an average -17.2% MoM. However, the drop in volumes in Ramadan relative to the annual monthly average for the past 17 years is relatively more pronounced (-48%).

- However, the sequential drop in volumes in the holy month is not a foregone conclusion. The traded volumes during the holy month have recorded sequential jumps for at least five times in the past 17 years.

- The past data shows the average volume of trading during the month of Ramadan was 152mn shares, while the average volume of trading during the remaining 11 months (excluding the month of Ramadan) was 224mn shares.

Volume traded in Ramadan vs the range of traded volumes for the remaining 11 months



Source: Bloomberg, Tharaa Financial Center

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