TASI-Ramadan Effect* on Returns & Volumes

March 2023

*Past Data converted to Hijri Calendar

Summary

Tharaa Financial Center

Ramadan Effects on Returns

- The month of Ramadan delivers an average return of around 1.2%, outperforming the year-wide monthly average return of 0.9% by around 30 basis points.
- Monthly returns during the holy month of Ramadan have largely remained unaffected despite a noticeable and significant drop in volumes.
- Over the last 23 years, TASI has provided positive monthly returns 14 times during the holy month.
- Historical data reveals the average returns during the holy month of Ramadan regularly outperforms the remaining monthly averages.
- The highest return in Ramadan was in 1425 (Year: 2004) of 16%, and the lowest return was in 1429 of -15% (Year: 2008).

Ramadan Effect on Volumes

- Over the past 15 years, Ramadan consistently exhibits a significant decline in trading volumes compared to the 12-month average, indicating that investors are not nearly as active during the holy month.
- Consistently and significantly, Ramadan has exhibited the lowest trading volumes among all other months over the past 15 years. This unique pattern highlights a distinct and evident decline in average total volumes during the holy month.
- 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%).
- 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 Effect on Returns

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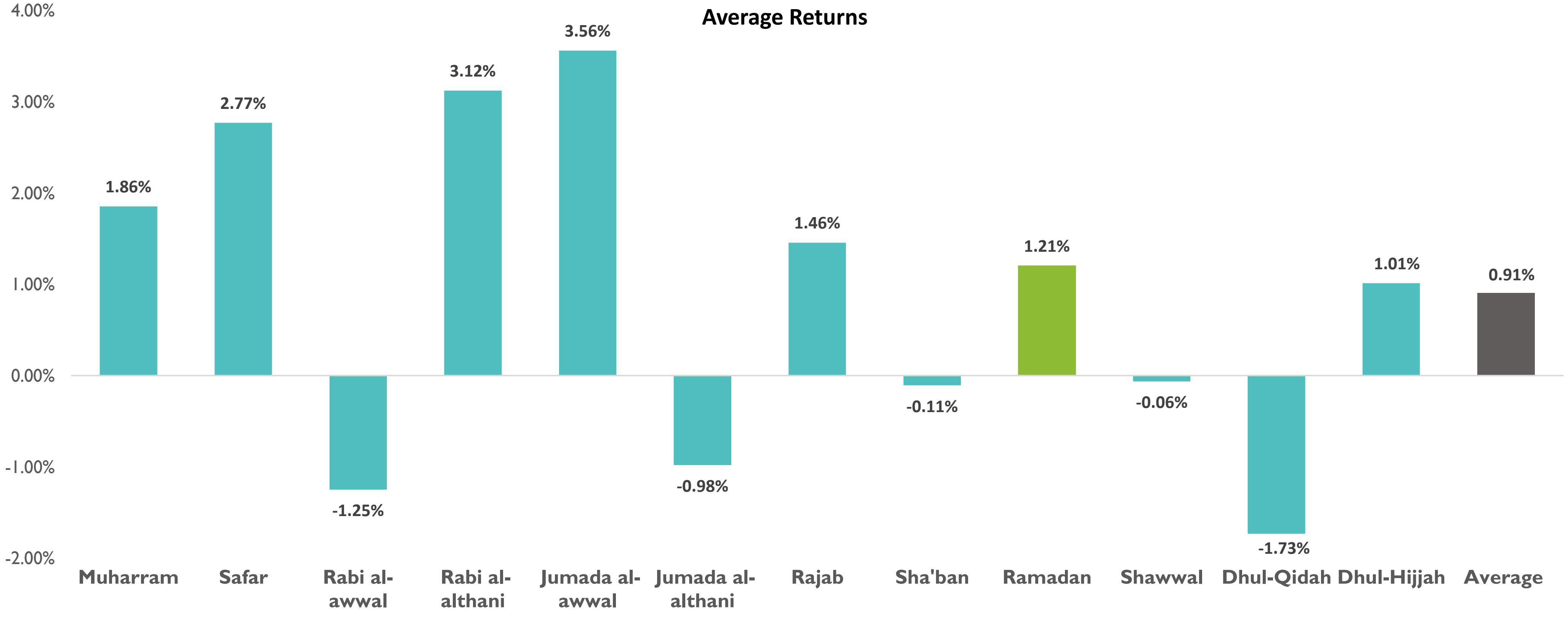
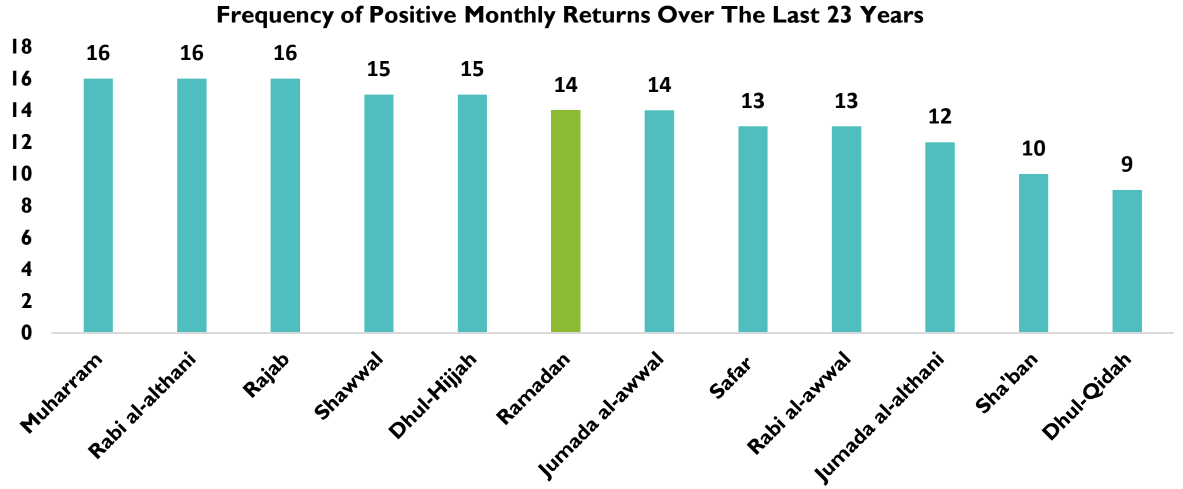


Source: Bloomberg, Tharaa Financial Center

Ramadan Effects on Returns



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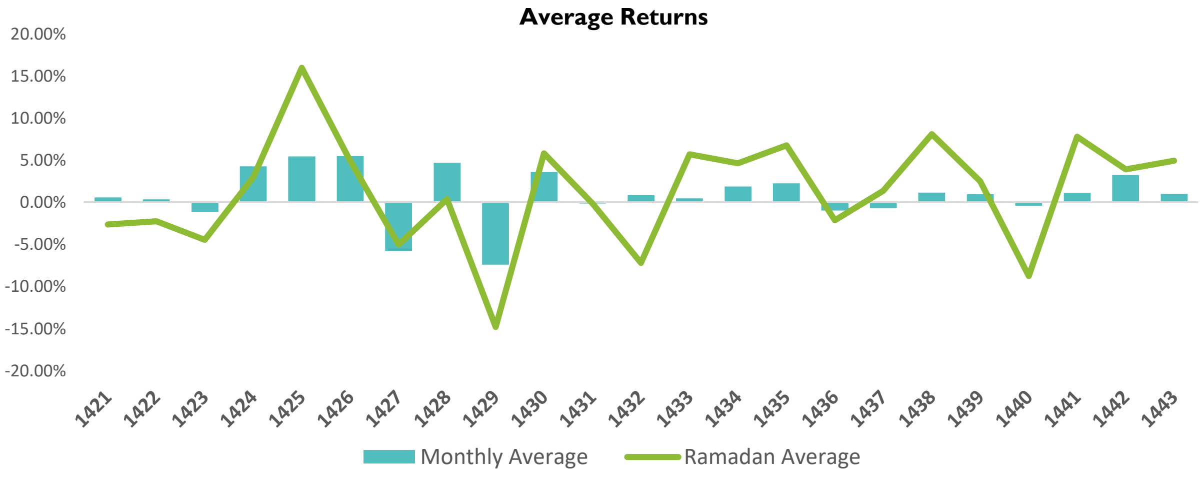

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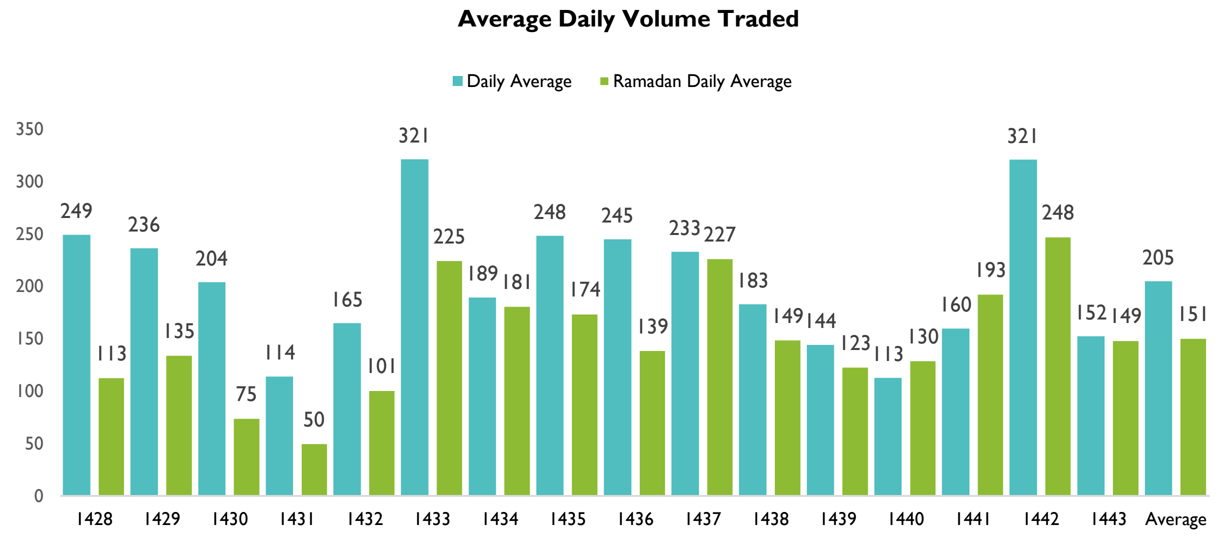

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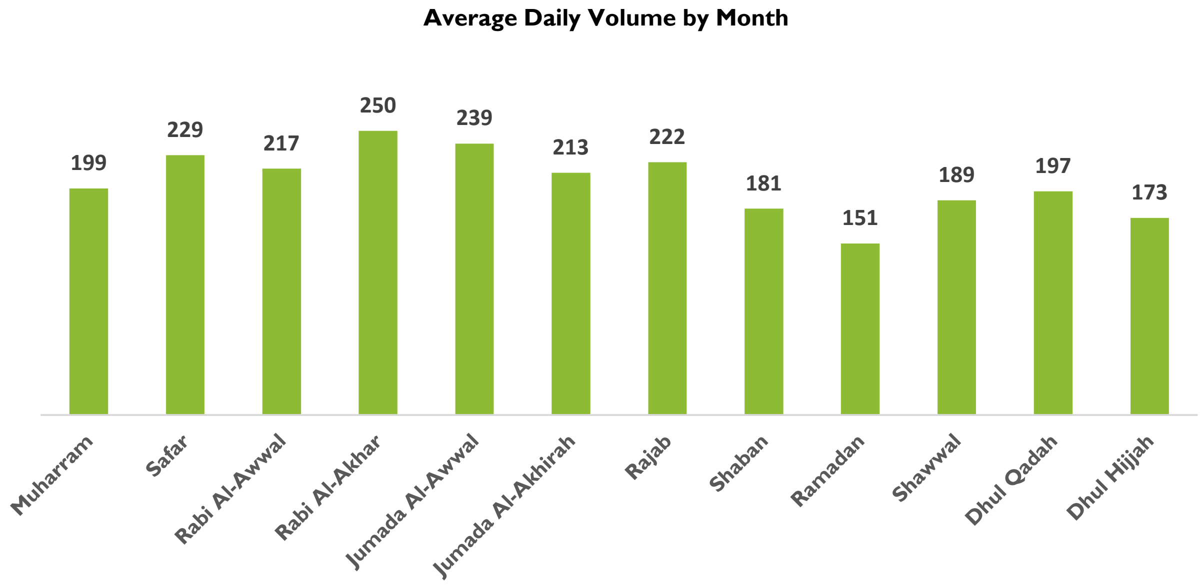

Source: Bloomberg, Tharaa Financial Center

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Ramadan Effect on Volumes

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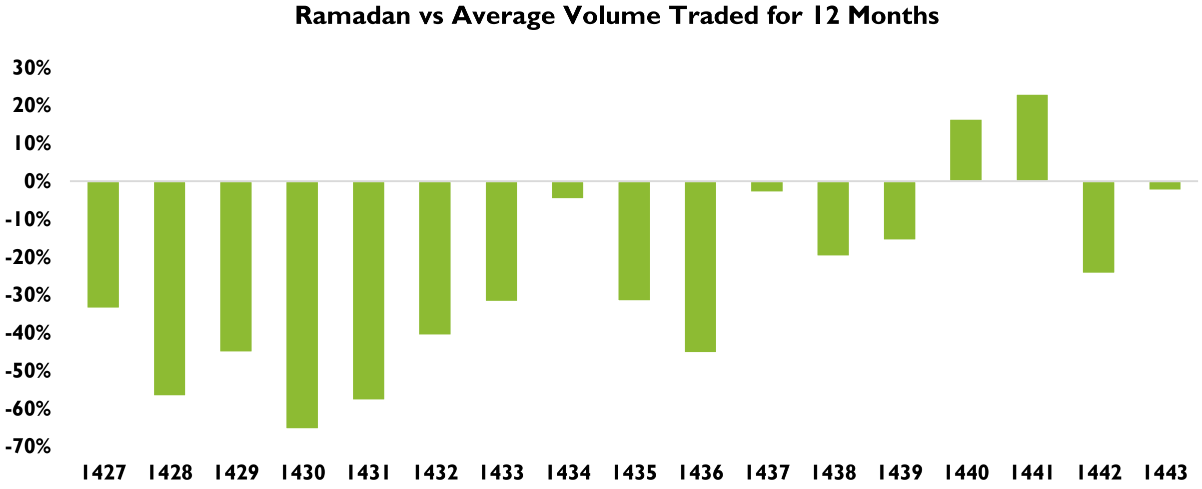

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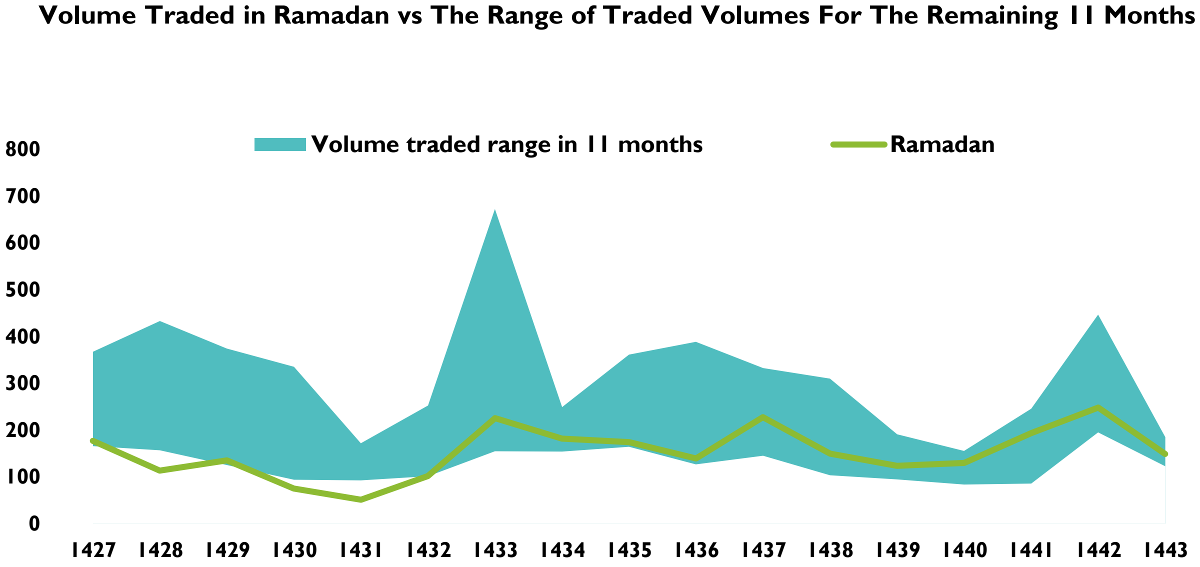

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