# TASI-Ramadan Effect* on Returns & Volumes

*May 2024*

*Past Data converted to Hijri Calendar

# Summary

Tharaa Financial Center

## Ramadan Effect on Returns

- The month of Ramadan typically yields an average return of approximately 1.7%, outperforming the monthly average return of 0.5% by around 120 basis points on a year-wise basis.
- Throughout the past 18 years, TASI has recorded positive monthly returns on 14 occasions during the holy month of Ramadan, surpassing the performance of all other months.

## Ramadan Effect on Daily Volume

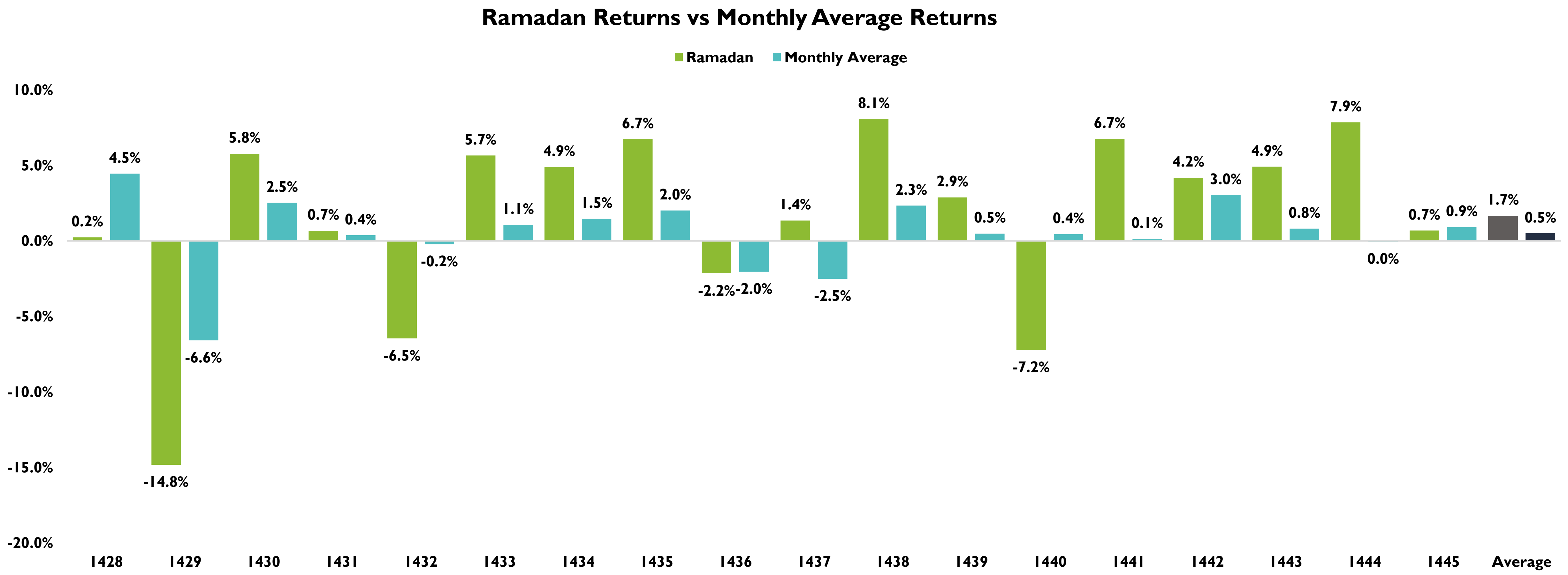
- Although Ramadan appears to produce the lowest average trading volume out of all months, it has witnessed a general rise in its trading volume over time and the holy month experienced the third highest trading volume during the most recent year
- Despite some outliers, the trend over recent years seems to indicate that daily trading volumes during Ramadan are generally increasing over time.

## Ramadan Effect on Daily Value

- Similar to trading volumes, the activity levels of value trading during the last three years of Ramadan were higher compared to the monthly average. Although the month of Ramadan has witnessed an increase in daily value traded over the years, the past 18 years shows that Ramadan still experiences decrease in value trading relative to the remaining months.
- Even when excluding the month of Ramadan from the average, Ramadan still shows a drop relative to the remaining months' daily average value traded.

# Ramadan Effect on Returns

**The month of Ramadan typically yields an average return of approximately 1.7%, outperforming the monthly average return of 0.5% by around 120 basis points on a year-wise basis.**




Source: Bloomberg, Tharaa Financial Center

# Ramadan Effect on Returns

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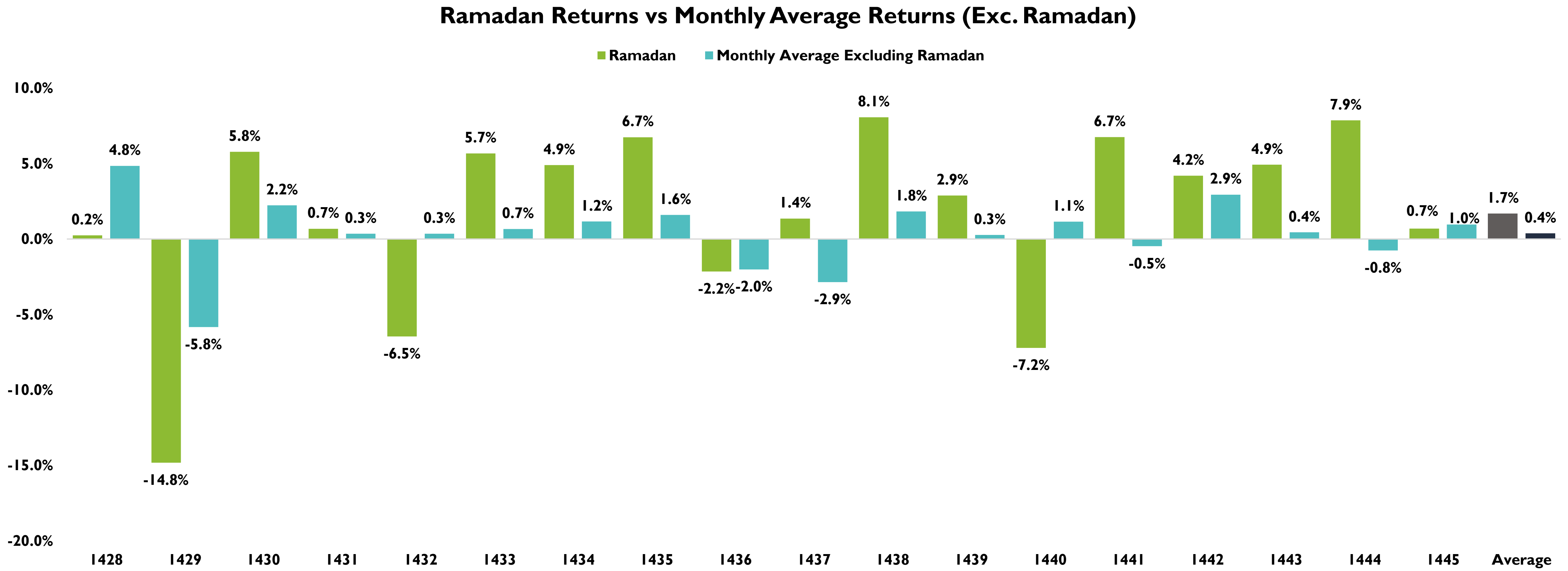
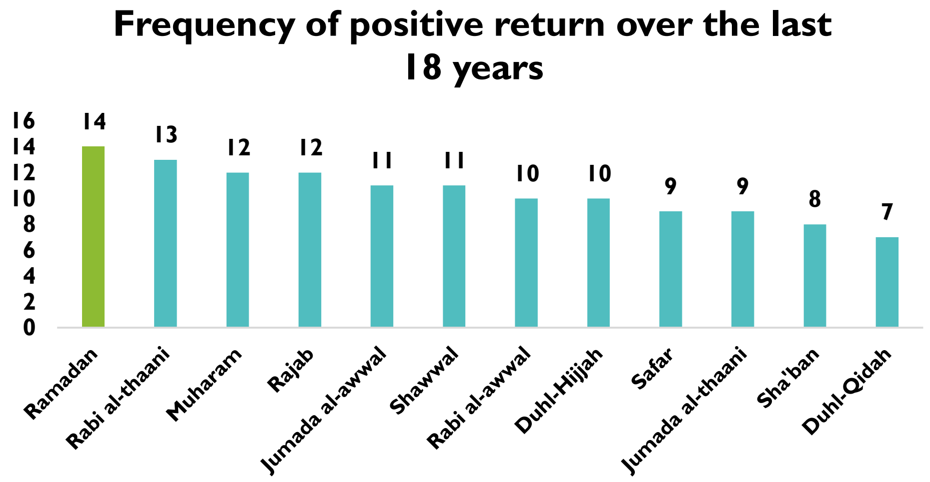
**Even when excluding the month of Ramadan from the average, Ramadan outperforms the remaining months' average return throughout the past 18 years by about 1.3%.**



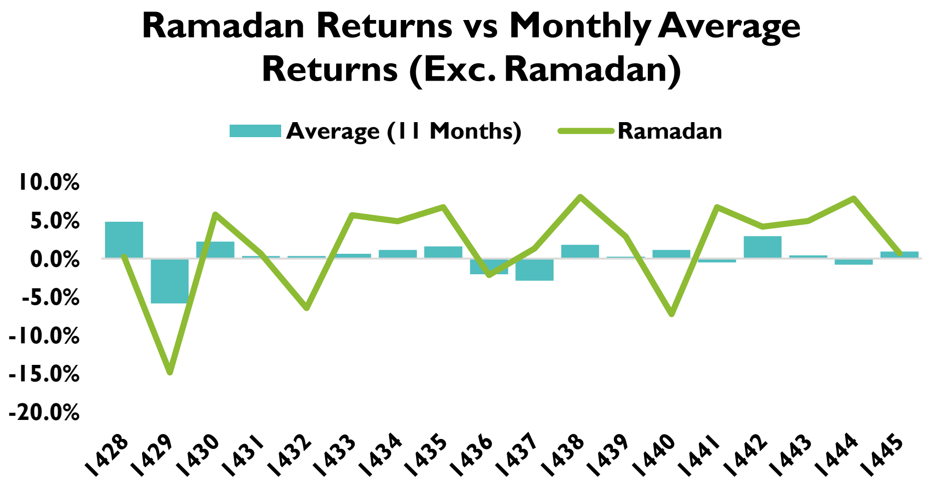

Source: Bloomberg, Tharaa Financial Center

# Ramadan Effect on Returns




Source: Bloomberg, Tharaa

Throughout the past 18 years, TASI has recorded positive monthly returns on 14 occasions during the holy month of Ramadan, surpassing the performance of all other months.




Source: Bloomberg, Tharaa

- The past 18 year data reveals the average returns during the holy month of Ramadan of 1.7% is higher than the average monthly return of 0.4% for the remaining 11 months.
- The highest return in Ramadan was in 1438 (Year: 2017) of 8.1%, and the lowest return was in 1429 of -15% (Year: 2008).

# Ramadan Effect on Daily Volume

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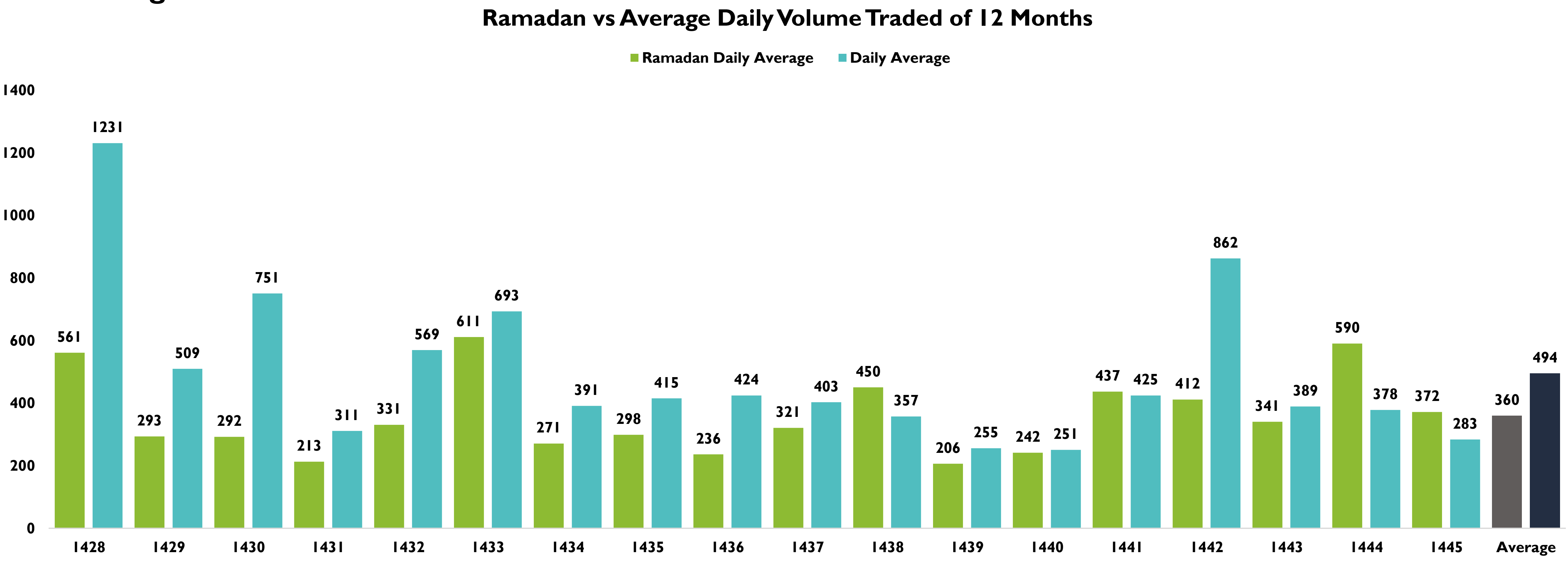
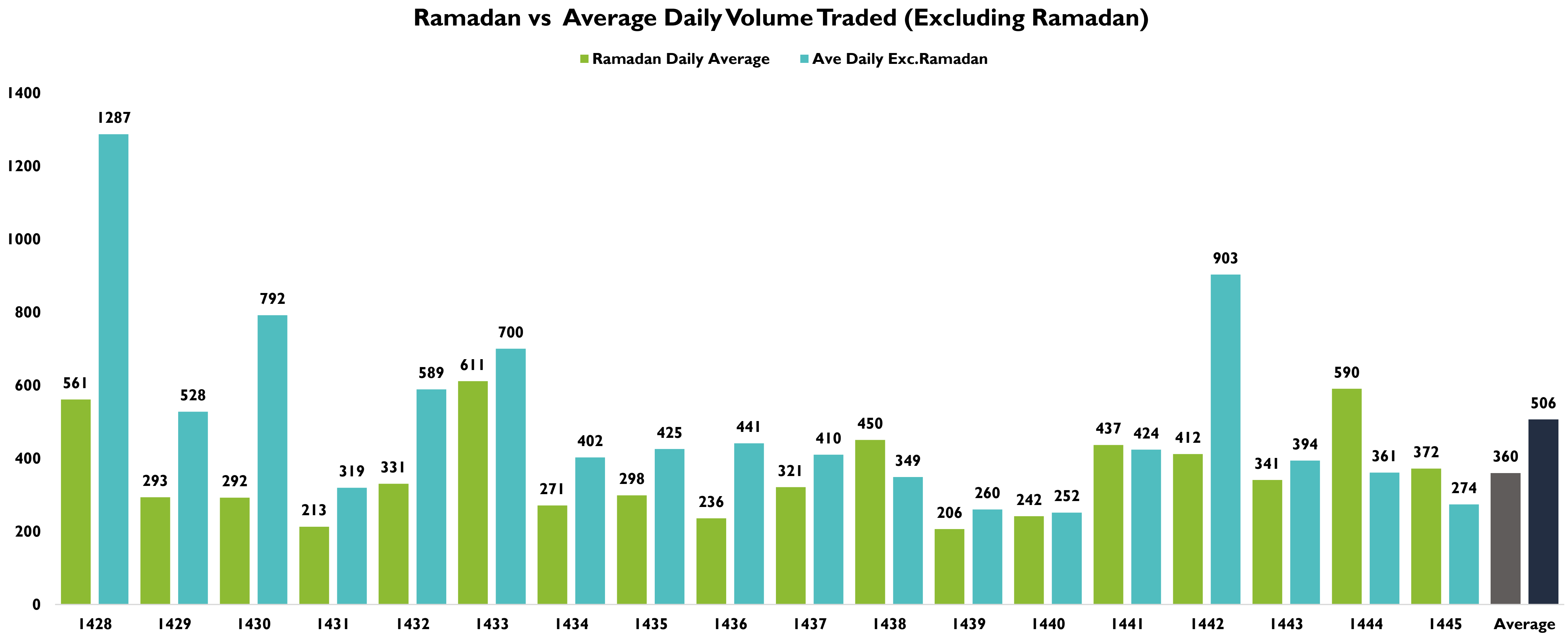
**Despite the daily trading volumes during the last three years of Ramadan being higher compared to the 12-month average, over the past 18 years, Ramadan has consistently shown a notable decline in trading volumes. This trend suggests that investors are relatively less active during the holy month, although the gap is generally diminishing.**



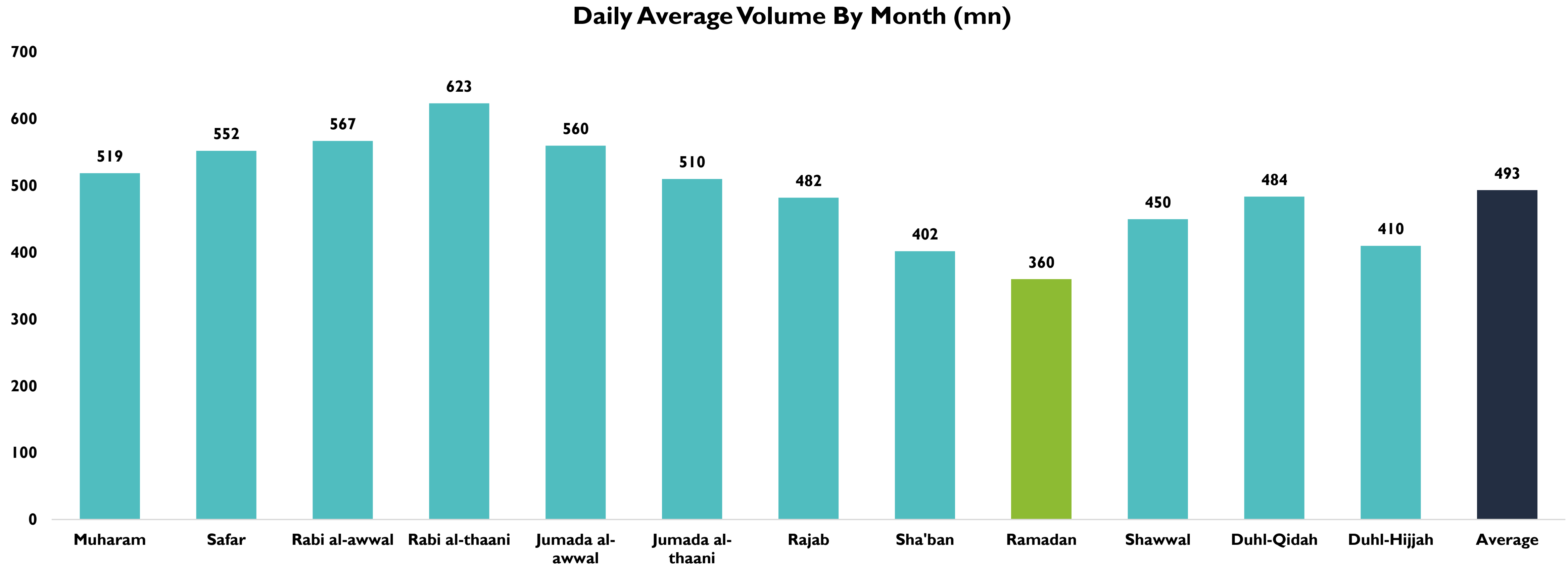
# Ramadan Effect on Daily Volume

**Even when excluding the month of Ramadan from the average, Ramadan still depicts a notable drop relative to the remaining months' daily average volume traded.**



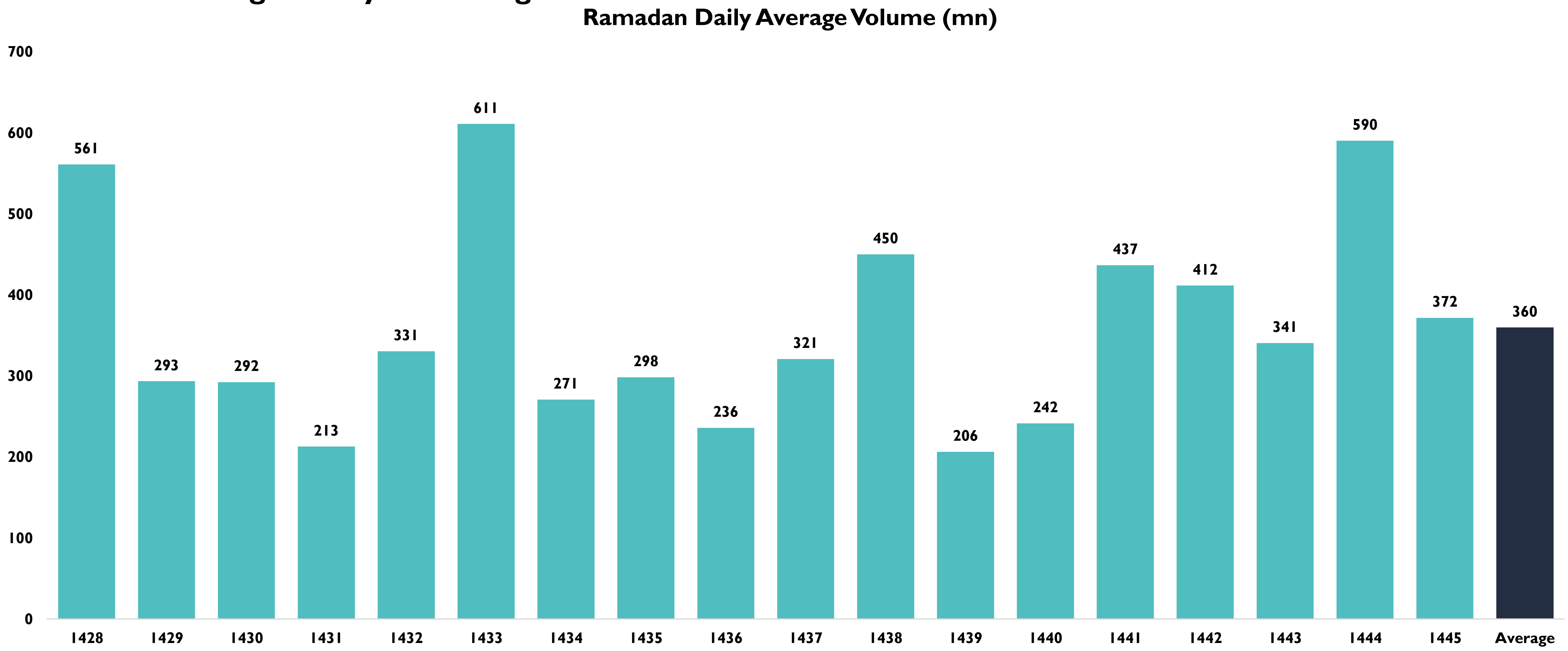
# Ramadan Effect on Daily Volume

**Although Ramadan appears to produce the lowest average trading volume out of all months, it has witnessed a general rise in its trading volume over time and the holy month experienced the third highest trading volume during the most recent year**



# Ramadan Effect on Daily Volume

**Despite some outliers, the trend over recent years seems to indicate that daily trading volumes during Ramadan are generally increasing over time.**



# Ramadan Effect on Daily Value

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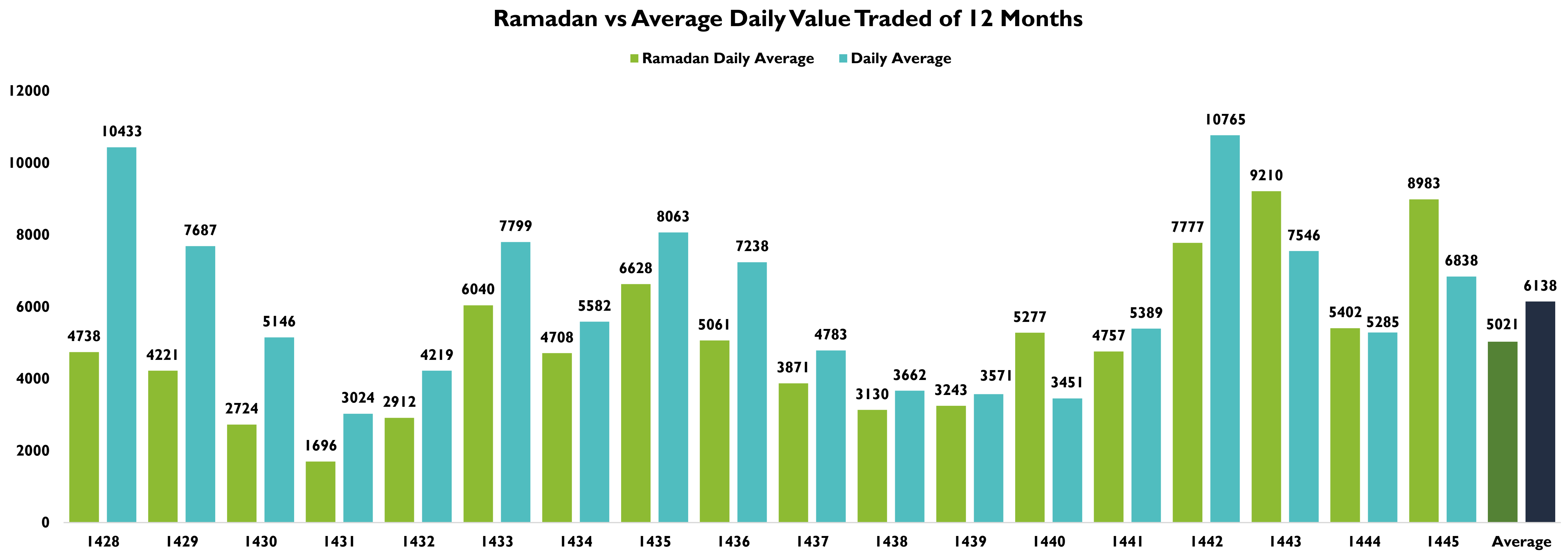
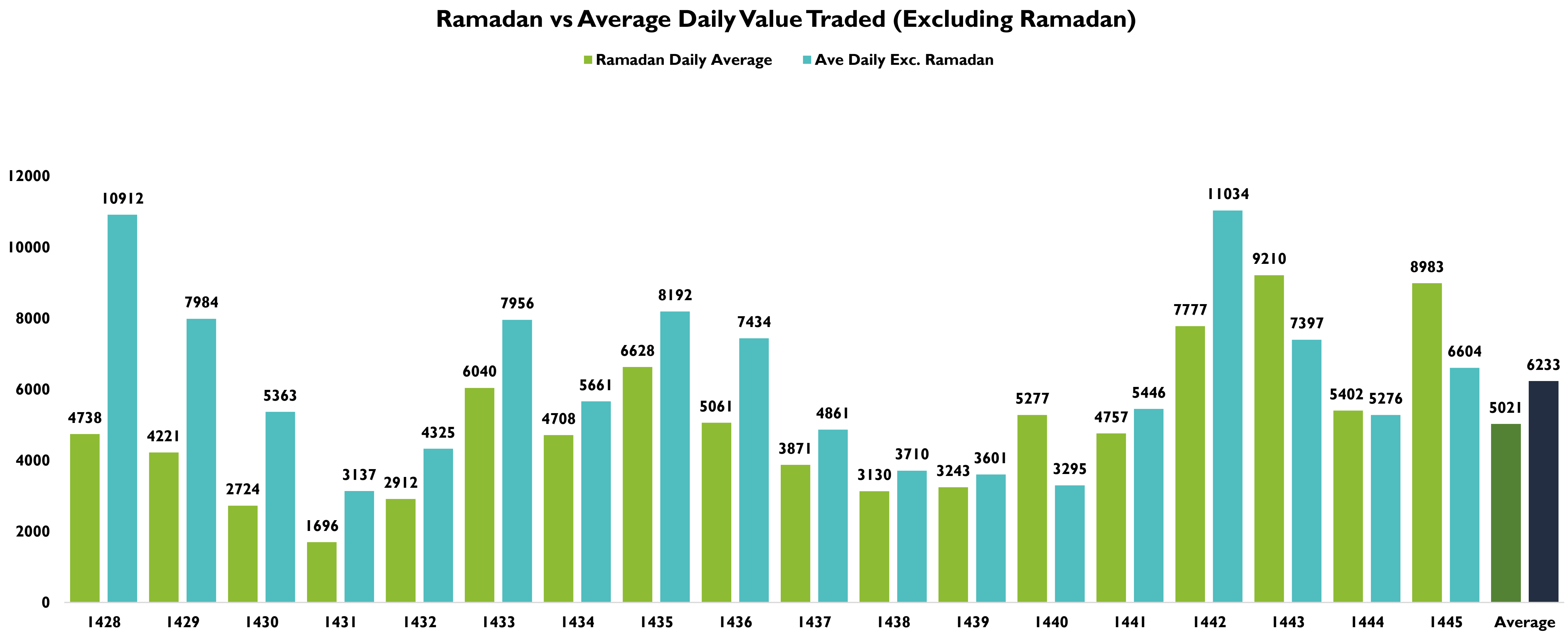
**Similar to trading volumes, the activity levels of value trading during the last three years of Ramadan were higher compared to the monthly average. Although the month of Ramadan has witnessed an increase in daily value traded over the years, the past 18 years shows that Ramadan still experiences decrease in value trading relative to the remaining months.**



# Ramadan Effect on Daily Value

**Even when excluding the month of Ramadan from the average, Ramadan still shows a drop relative to the remaining months' daily average value traded.**



# Ramadan Effect on Value

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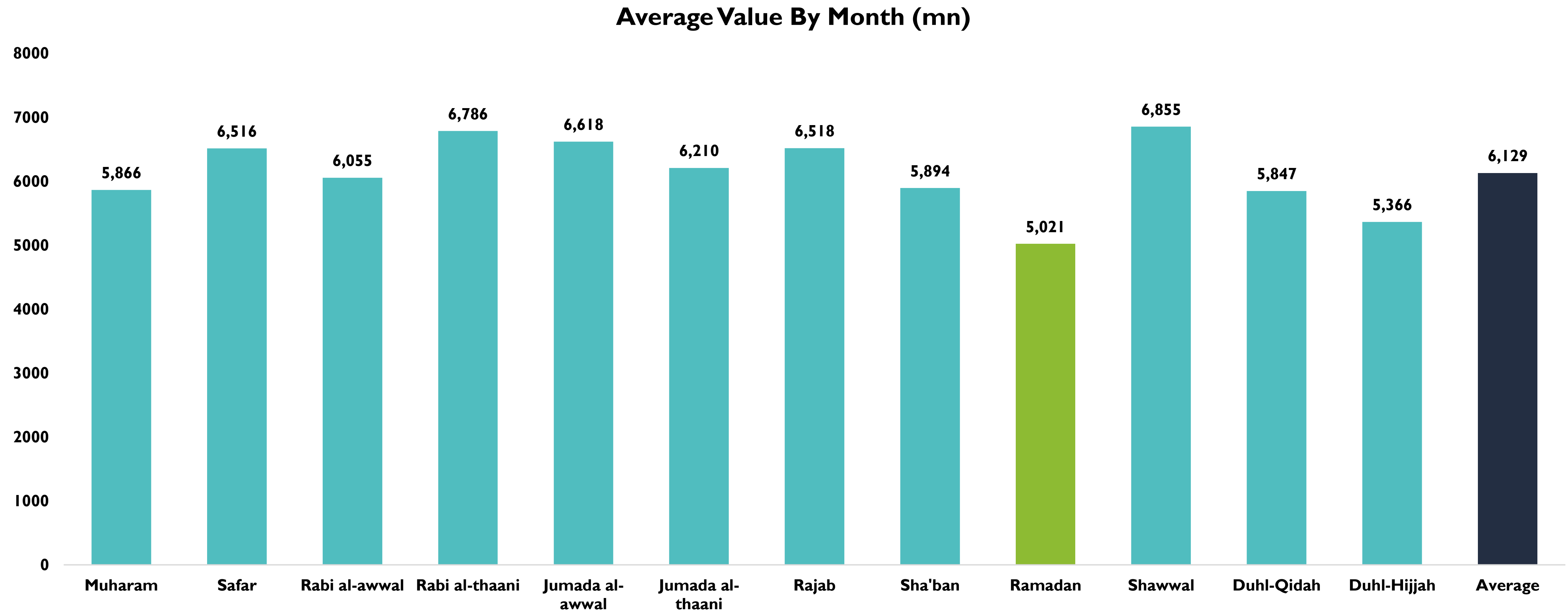
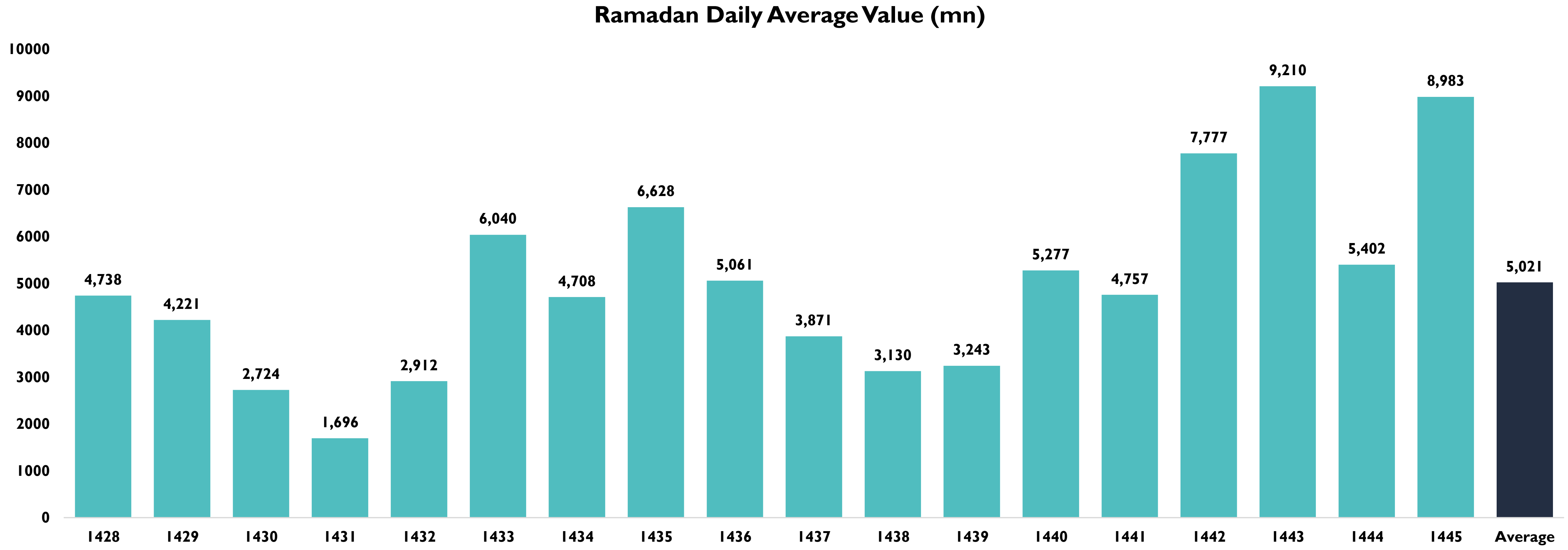
**Based on historical data spanning the past 18 years, the average daily trading value during the month of Ramadan stands to 5.021 billion, making it the month with the lowest average value.**

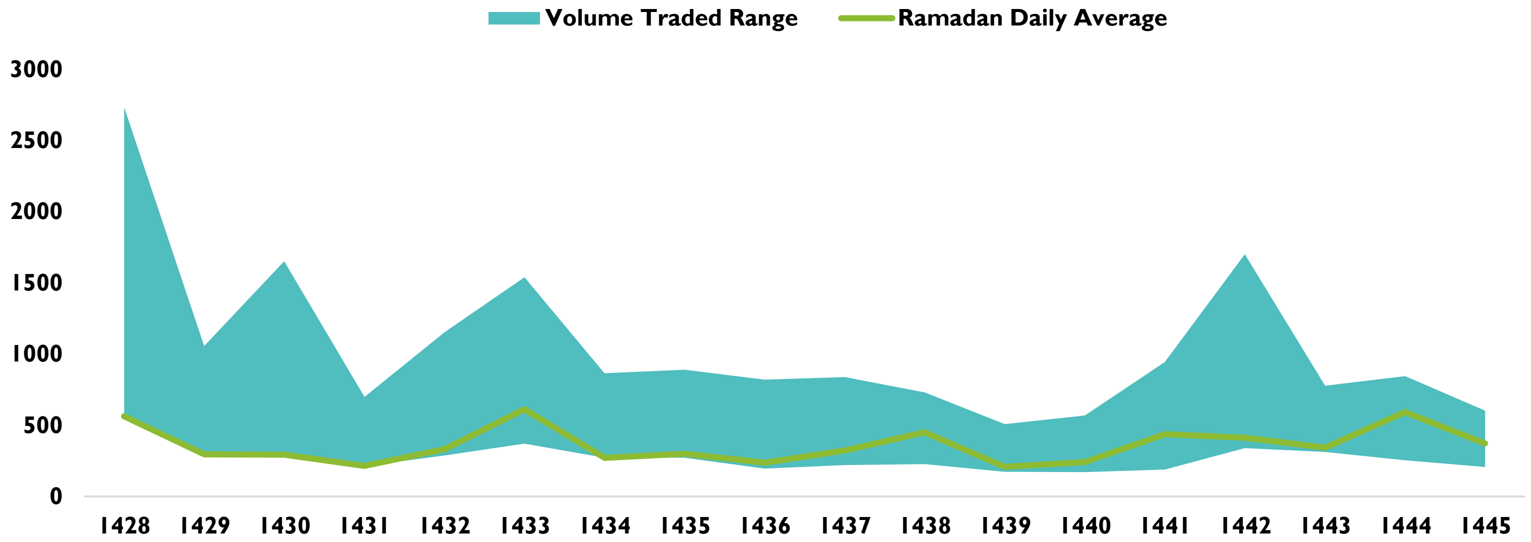


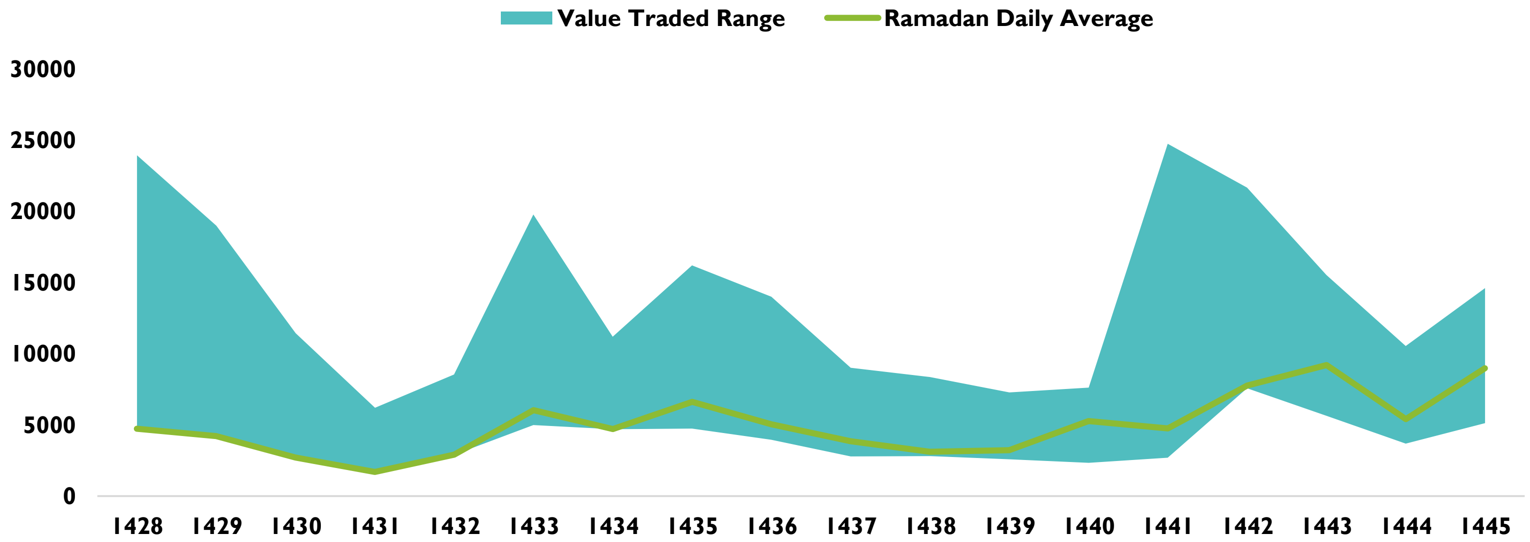
# Ramadan Effect on Value

**Over the years, daily value traded during Ramadan appears to be generally increasing, particularly when compared to the same month in earlier years.**



# Ramadan Effect on Daily Volume & Daily Value



# Disclaimer

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