

Foreign investors stay selective in May as Saudi equities attract modest inflows

Foreign Flow Analysis

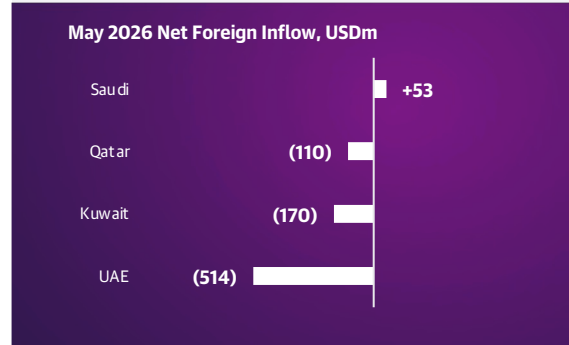
May foreign flows show that investors are applying a higher risk premium to GCC equities, but they are not abandoning the region. The GCC recorded net foreign outflows of USD837mn in May, led by selling in the UAE, Kuwait and Qatar. Saudi Arabia was the exception, with modest net inflows of USD53mn.

Despite May's outflow, GCC equities still recorded USD1.145bn of net foreign inflows year to date. The MSCI GCC Index fell 1.1 percent in May to 747 points and is now down 5.7 percent year to date from 792 points. That is a negative market reaction, but it remains relatively contained given the severity and duration of the current conflict.

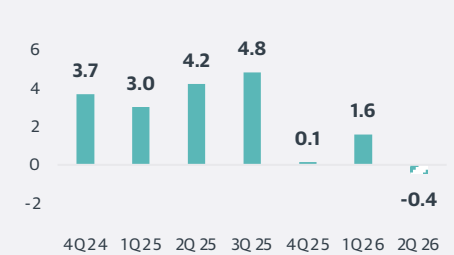
Key takeaway for listed companies

Saudi Arabia's resilience appears to reflect market liquidity, EM index weight and lower perceived energy export risk. The market offers the largest equity opportunity set in the GCC and remains the most important regional allocation for global emerging market investors. Saudi Arabia also has pipeline capacity to export crude to the Red Sea, reducing its dependence on the Strait of Hormuz relative to several GCC peers. That does not remove geopolitical risk, but it helps explain why foreign inflows have remained concentrated in Saudi Arabia.

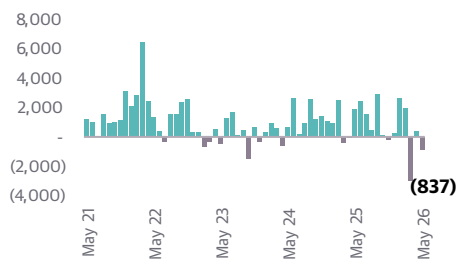
While a peace deal appears to be making progress, investors are still waiting for proof that the crisis is moving toward a final settlement. The ceasefire has helped limit the market reaction, but the absence of a final deal continues to weigh on foreign flows. Investors will need more than headlines alone before rebuilding exposure.



QTD Net Foreign Inflows, USDbn



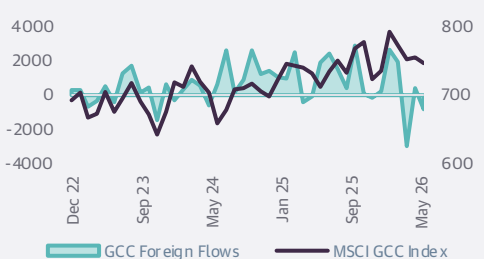
GCC Net Foreign Inflow (USDm)



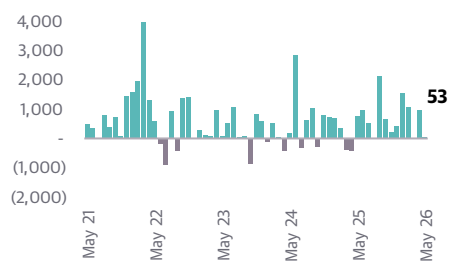
GCC Cumulative Net Inflow (USDbn)



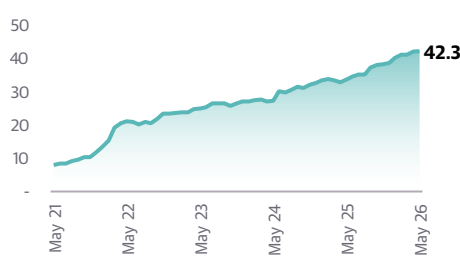
GCC Foreign Flows vs MSCI GCC Index



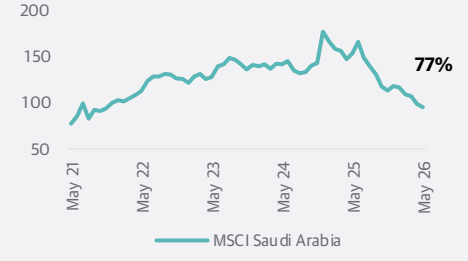
Saudi Net Foreign Inflow (USDm)



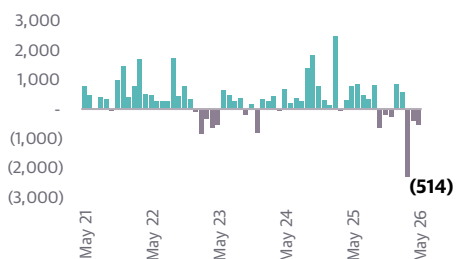
Saudi Cumulative Net Inflow (USDbn)



MSCI Saudi Arabia vs EM Index



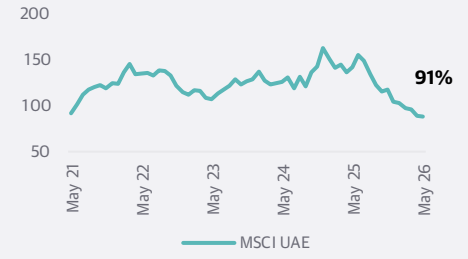
UAE Net Foreign Inflow (USDm)



UAE Cumulative Net Inflow (USDbn)



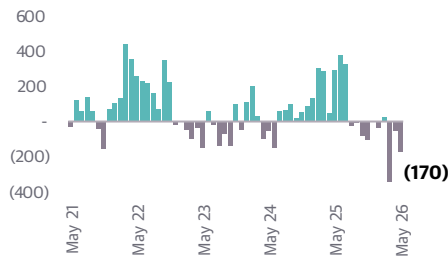
MSCI UAE vs EM Index



Foreign Flow Analysis

4 June 2026

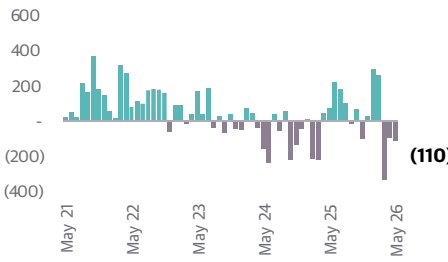
Kuwait Net Foreign Inflow (USDm)



Kuwait Cumulative Net Inflow (USDbn)



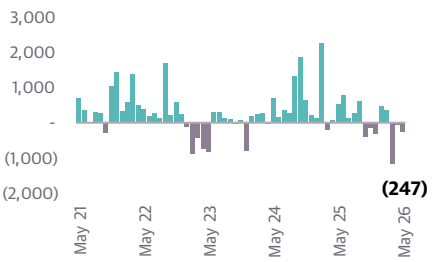
Qatar Net Foreign Inflow (USDm)



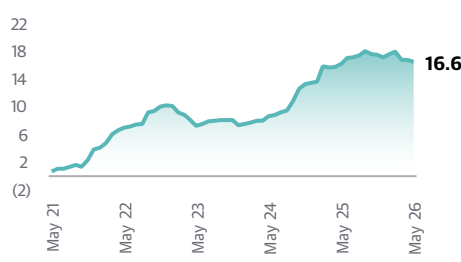
Qatar Cumulative Net Inflow (USDbn)



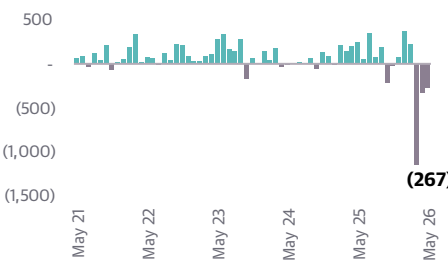
Abu Dhabi Net Foreign Inflow (USDm)



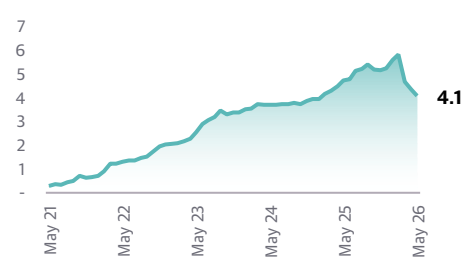
Abu Dhabi Cumulative Net Inflow (USDbn)



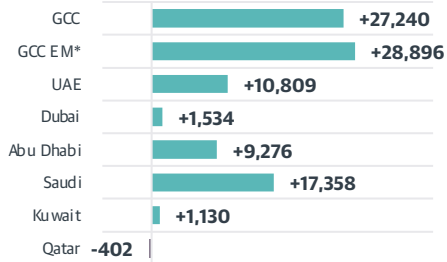
Dubai Net Foreign Inflow (USDm)



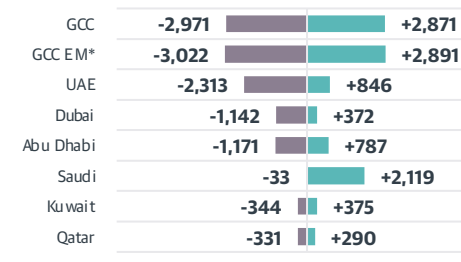
Dubai Cumulative Net Inflow (USDbn)



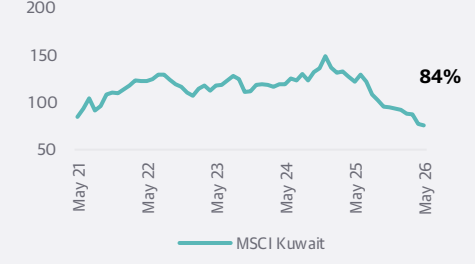
3Y Total Inflow, USDm



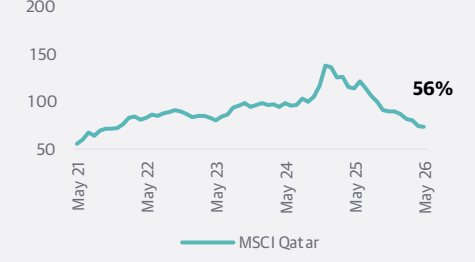
12M High / Low, USDm



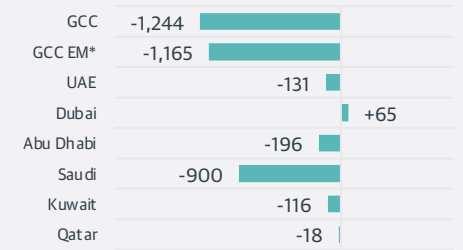
MSCI Kuwait vs EM Index



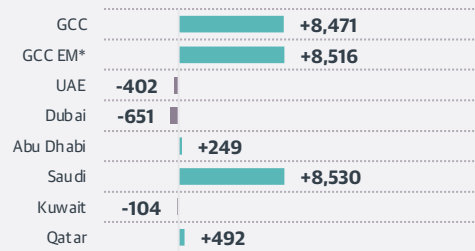
MSCI Qatar vs EM Index



Net Inflows MoM Change, USDmn



Net Inflows LTM, USDmn



*GCC Emerging Market Countries (Kuwait, Qatar, Saudi Arabia, UAE)
Sources: S&P Capital IQ Pro, Stock Exchanges, Iridium Advisors Analysis

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