

# Saudi Stock Market 1Q2025: Insights & Trends

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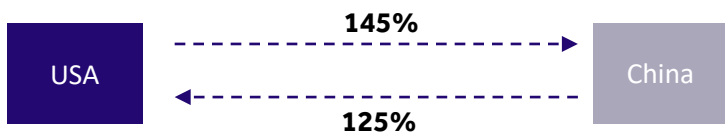
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## Mapping Saudi Exports & Market Moves

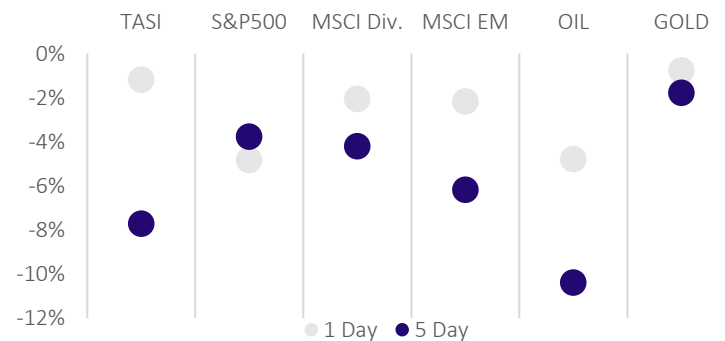
The visuals on the right provide a clear snapshot of Saudi Arabia's export structure in 2024, segmented into total exports and non-oil exports by destination. Key trade partners like China (15% of Saudi's total exports and 9% of non-oil exports), India (9% of Saudi's total exports and 8% of non-oil exports), U.S. (4% of both Saudi's exports and non-oil exports), and the UAE (8% of Saudi's total exports and 23% of non-oil exports) play a pivotal role. The below chart captures the immediate market reaction across equities, oil, and gold following the tariff announcement on April 2.

**USA imposed a 10% tariff on all imports**, with additional hikes targeting Chinese and European goods — the broadest U.S. tariff action in decades.

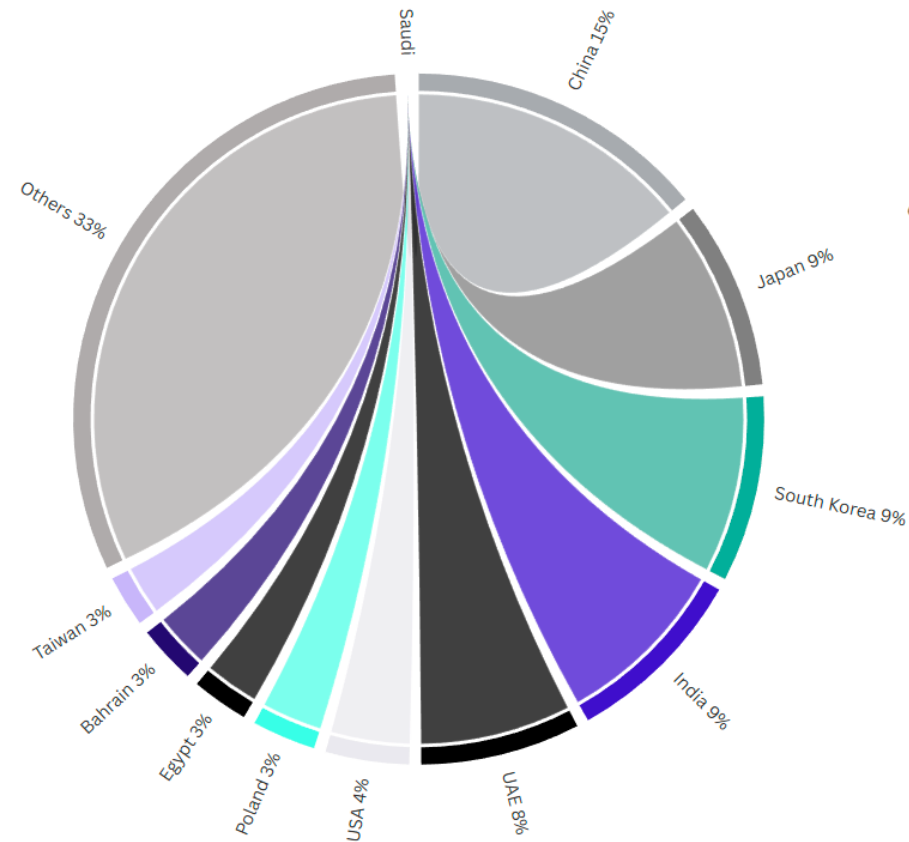
**Over 50 countries have initiated talks** with the U.S. seeking exemptions or revised terms, reflecting the global scale of concern.



### Markets Performance After Tariffs implemented

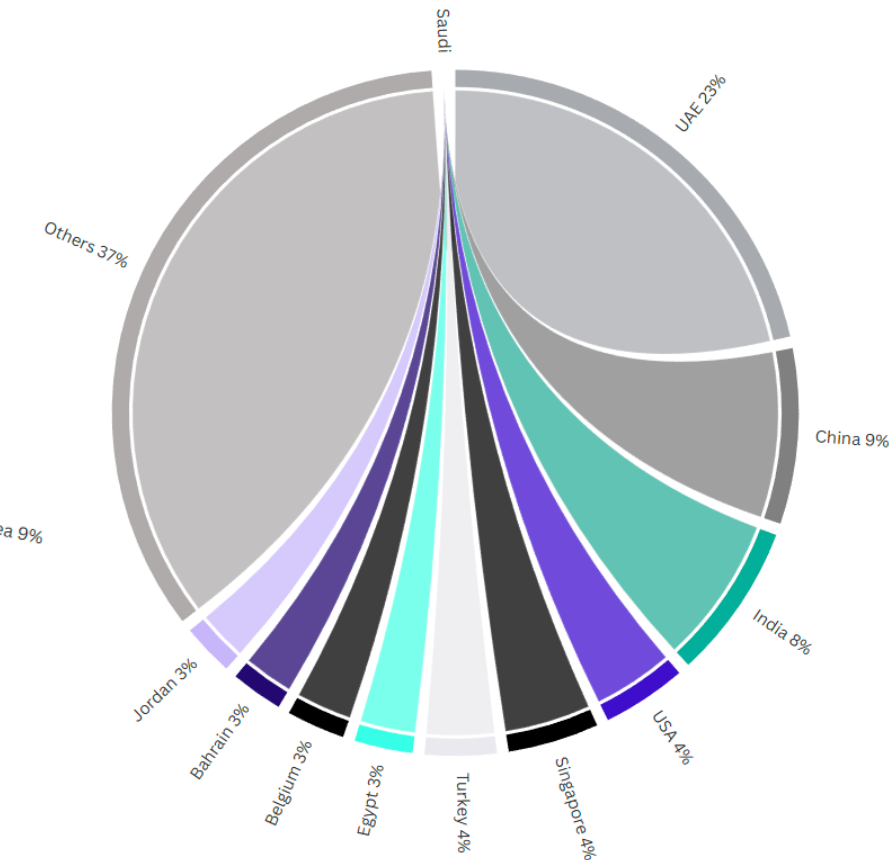


### Saudi Exports Heavily Skewed to Asia



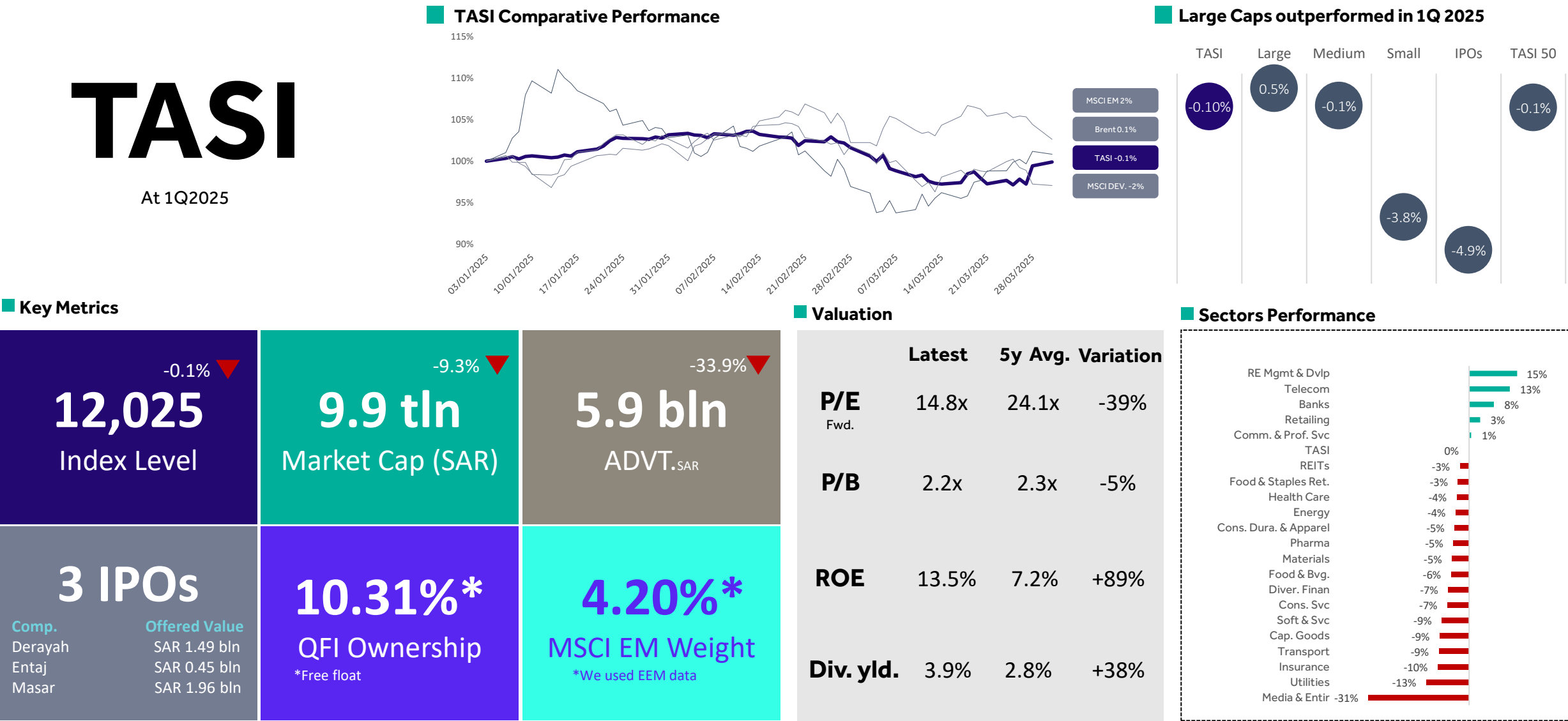
2024 Total Export Value SAR 1,145 bln

### Saudi Non-Oil Trade Highlights Strong Regional Ties



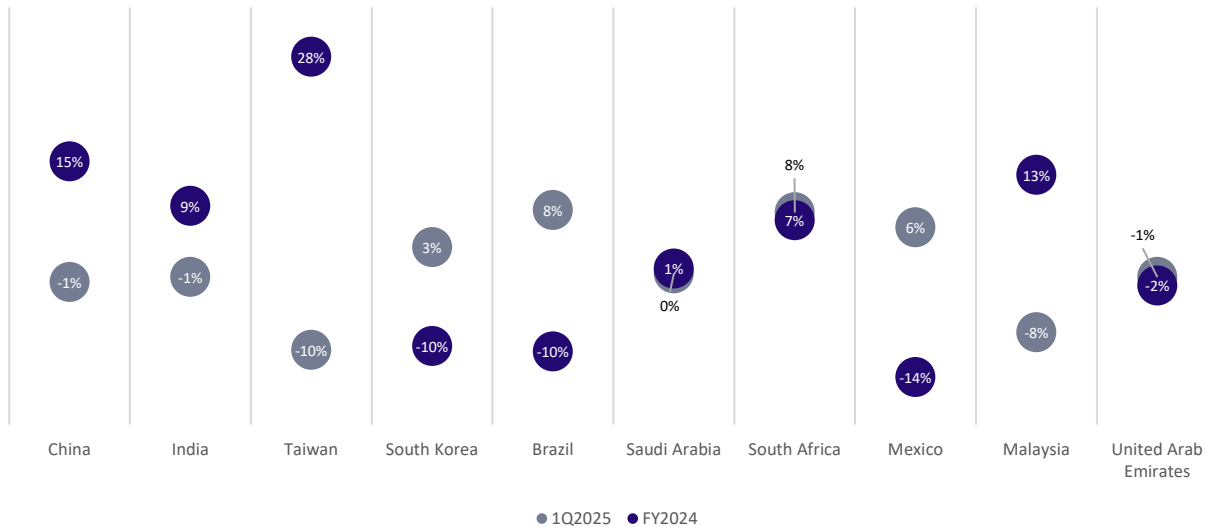
2024 Total Non-Oil Export Value SAR 217 bln

## TASI at a Glance 1Q 2025: Metrics, Valuation, & Sector Moves

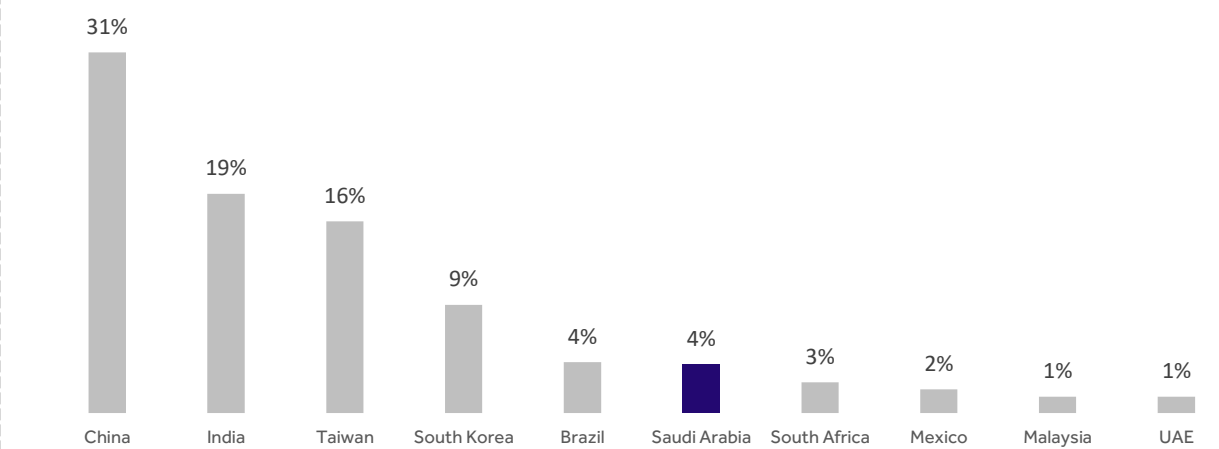


## Saudi Arabia's Standing in EM: Performance, Valuation & Index Weight

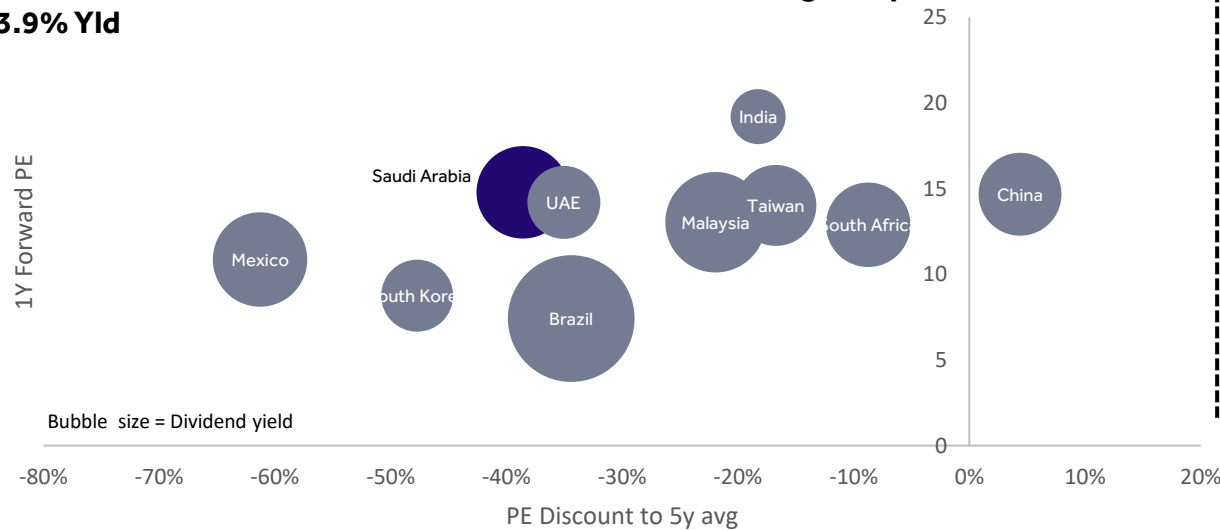
### Saudi Market Holds Flat in 1Q25 — Outperforms 5 of Top 10 EMs



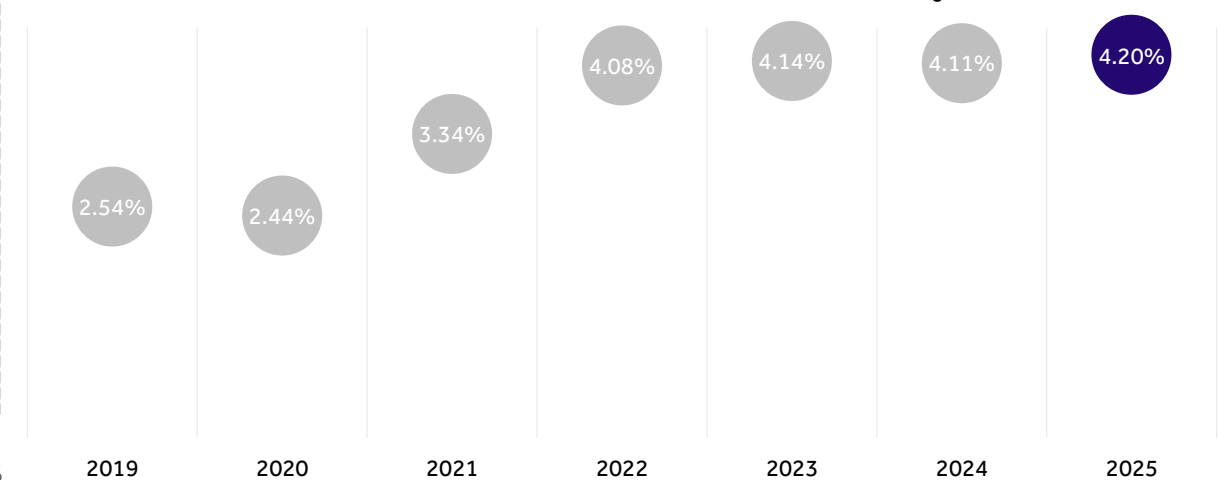
### MSCI EM: Saudi Arabia Gains Prominence with 4% Weight



### Saudi Stands Out: Substantial -39% Discount to 5Y PE avg. Coupled with Attractive 3.9% Yld

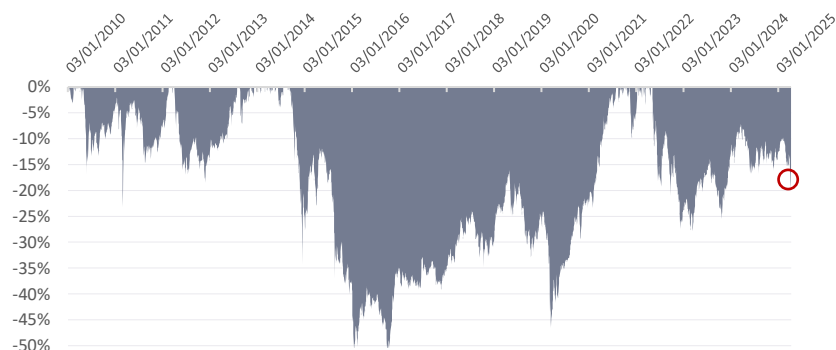


### From 2.5% to 4.2% — Saudi Arabia's Influence in MSCI EM Nearly Doubles Since 2019

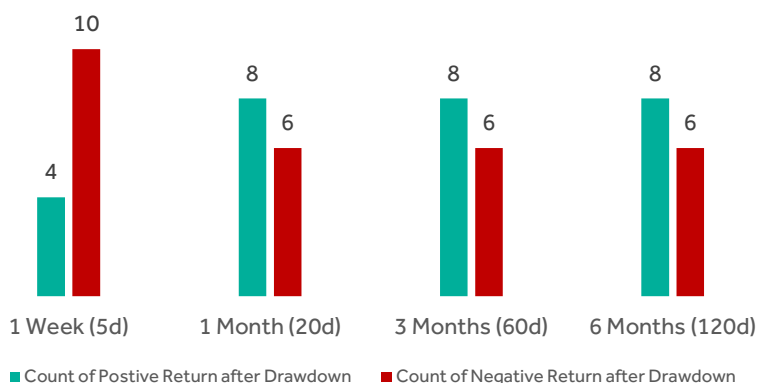


## TASI's Hidden Patterns: Drops, Seasons, & Global Tie

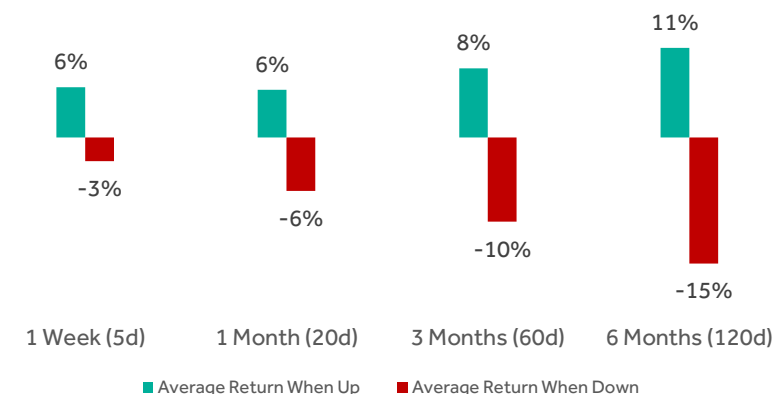
**TASI hit a 20% drawdown on April 6 — a level historically associated with rebound zones.**



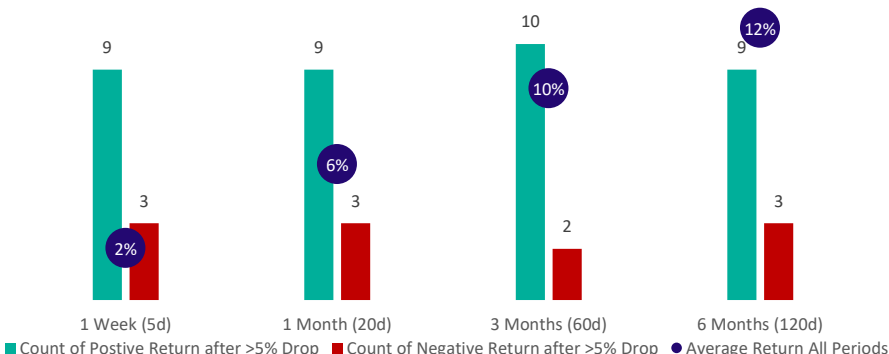
**TASI has witnessed 20% drawdowns 14 times over the last 15 years: Rebounds in the medium-term mostly**



**Post-drawdown returns skew positively, but downside cases worsen the longer the weakness persists**



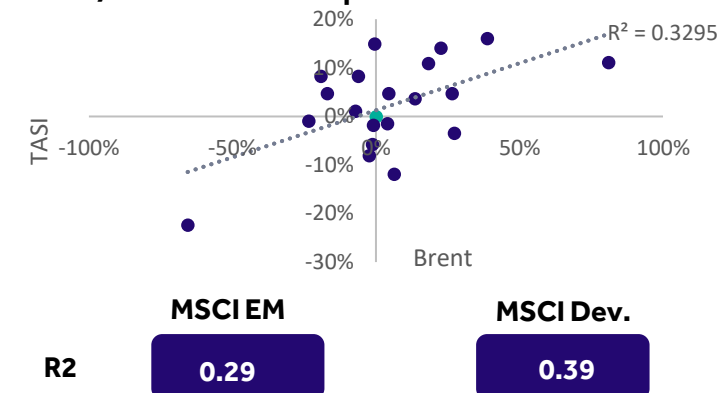
**TASI dropped 6.8% on April 6 — historically, similar >5% one-day declines have led to positive returns in over 75% of cases, averaging +12% over the next 6 months.**



**A weak 1Q has often been followed by full-year gains for TASI in the last 10 years**

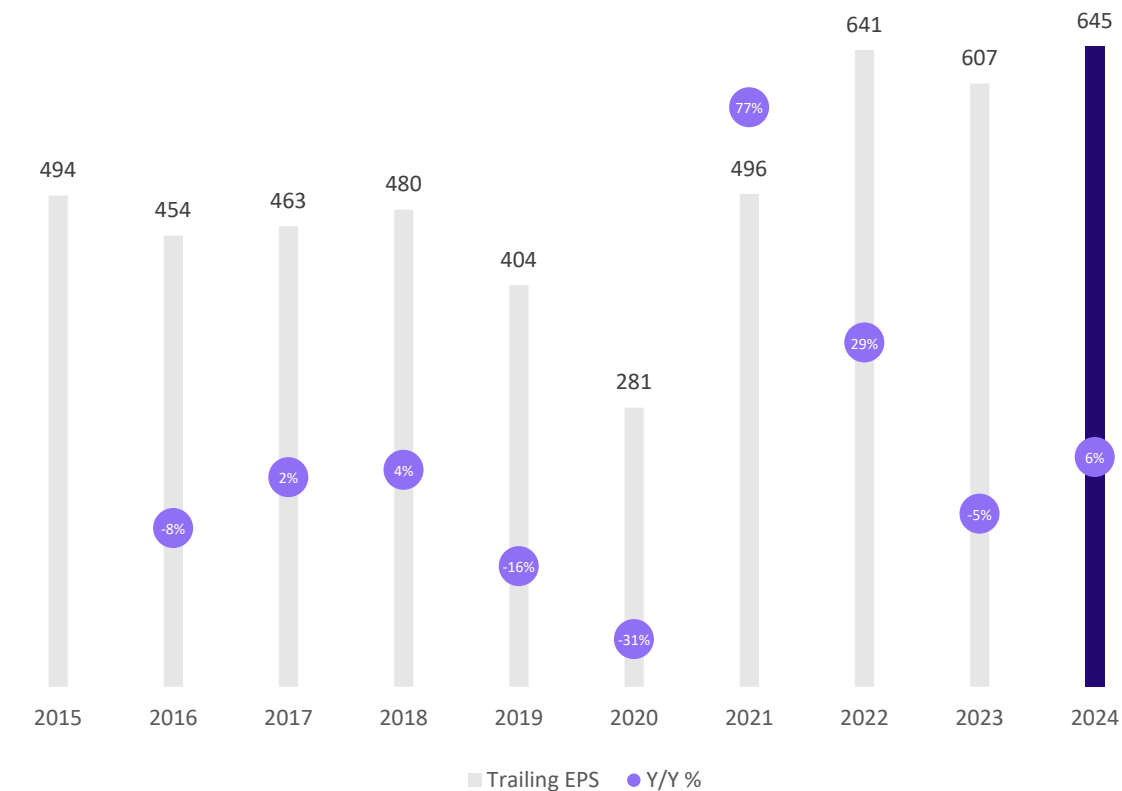


**Since 1Q20, TASI's Quarterly Returns Have Shown Moderate Correlation with Brent & MSCI EM ( $R^2 = 0.33$  &  $0.29$ ), But Higher Explanatory Power ( $R^2 = 0.39$ ) with MSCI Developed Index**

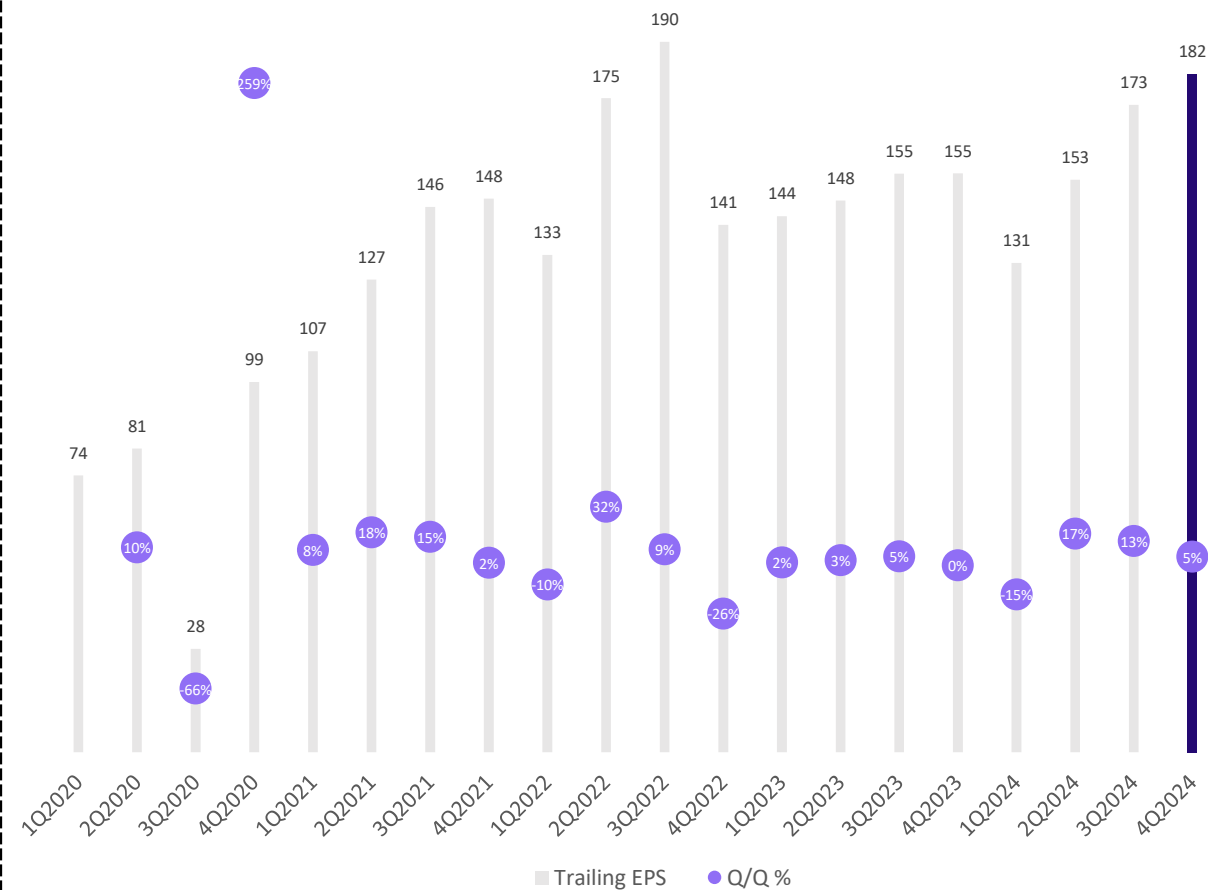


## Saudi Market Earnings Progression – Annual and Quarterly View

### Yearly EPS Growth - SAR

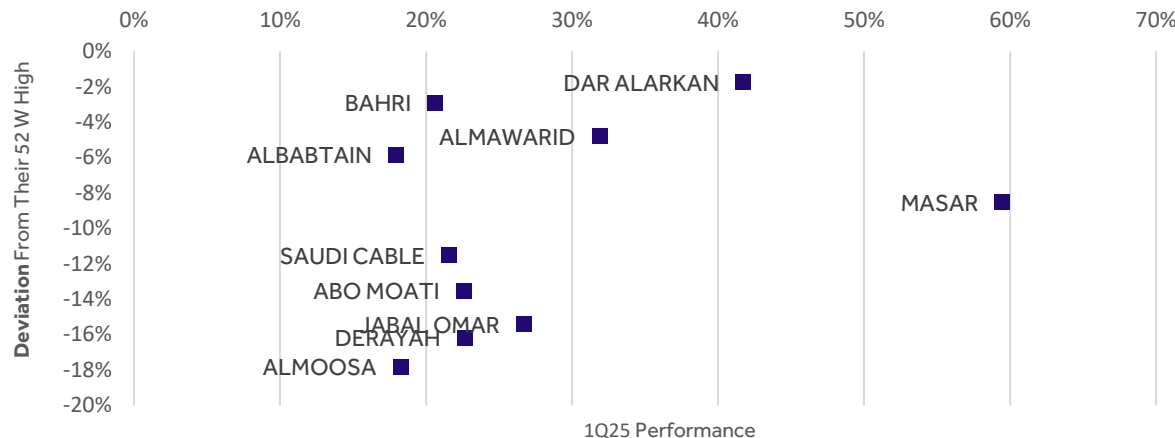


### Quarterly EPS Growth - SAR

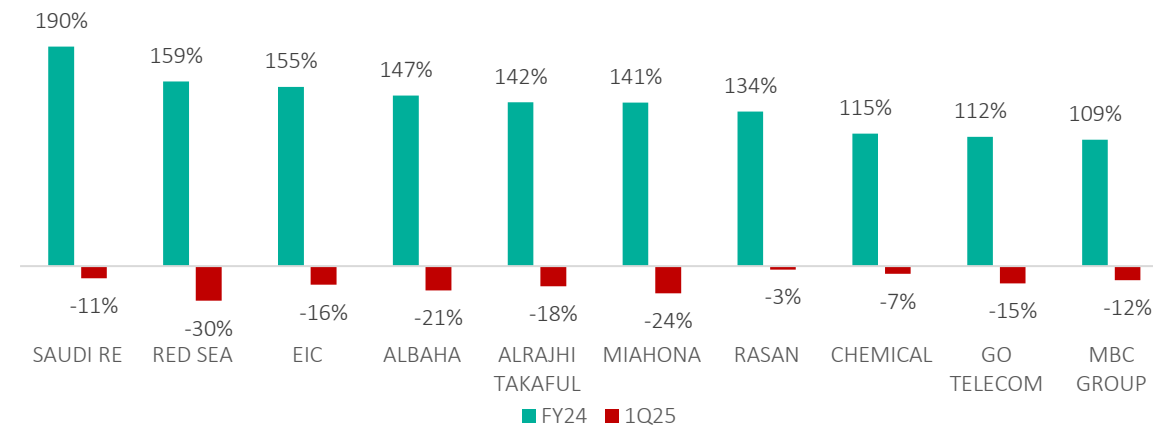


## The Movers: Winners, Laggards, & What's Changing Under the Surface

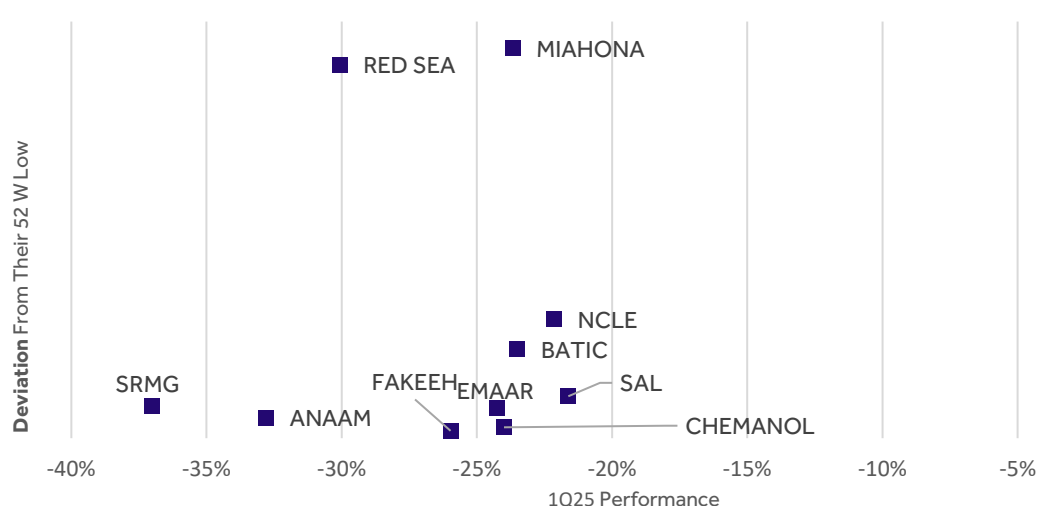
### Top 1Q25 Gainers & the Deviation From Their 52 Week High



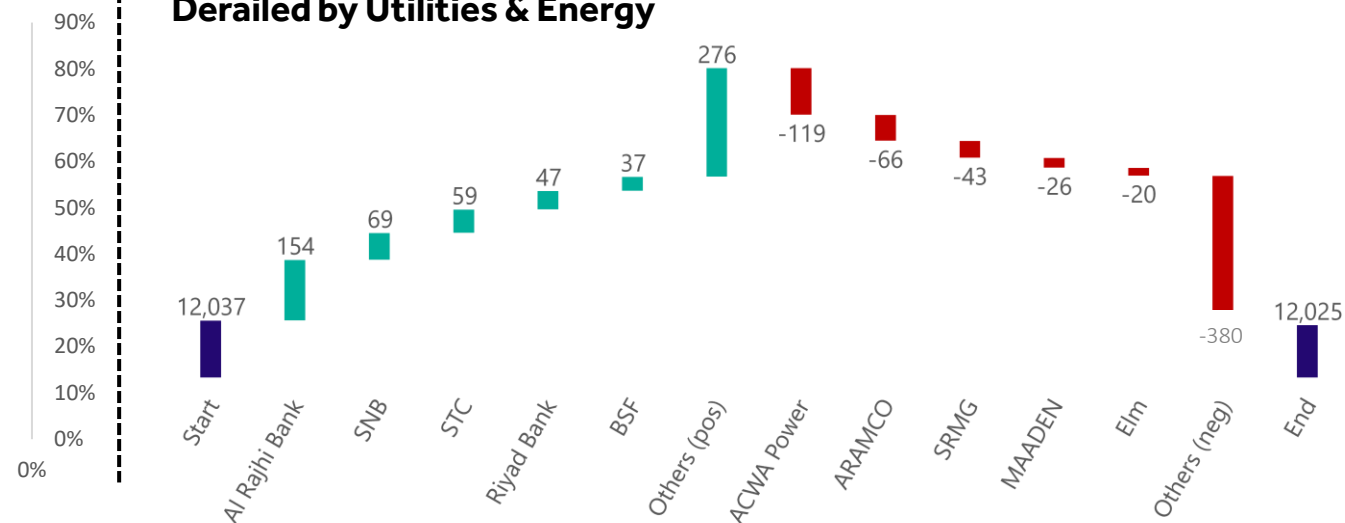
### Reversal of Momentum: Top 2024 Names End 1Q25 in the Red



### Top 1Q25 Losers & the Deviation From Their 52 Week Low



### 1Q25 Index Attribution: Positive Momentum in Banks & Telecom Derailed by Utilities & Energy





## Nomu Snapshot – 1Q2025 Overview

# Nomu

At 1Q2025

### Key Metrics

**31,087**  
Index Level

-1.2% ▼

**6**  
IPOs

Total Offered Value: SAR 228.7mln  
Direct Listing : 1

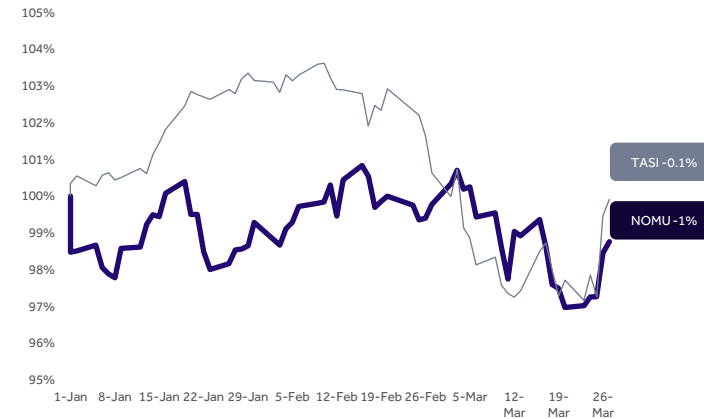
**59bln**  
Market Cap. SAR

16.1% ▲

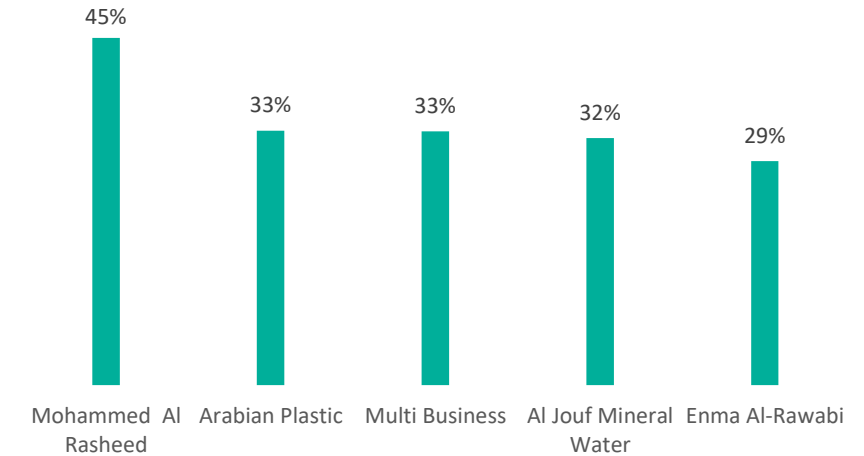
**0.84%\***  
QFI Ownership

\*Free float

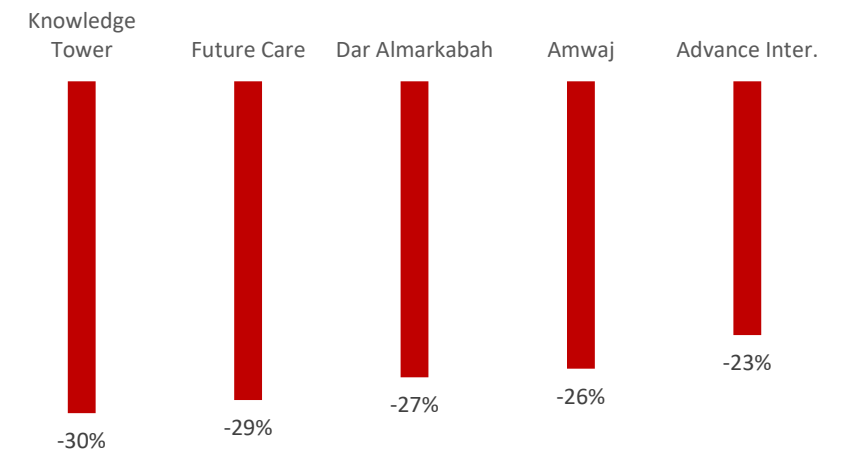
### Nomu Comparative Performance



### Top Gainers

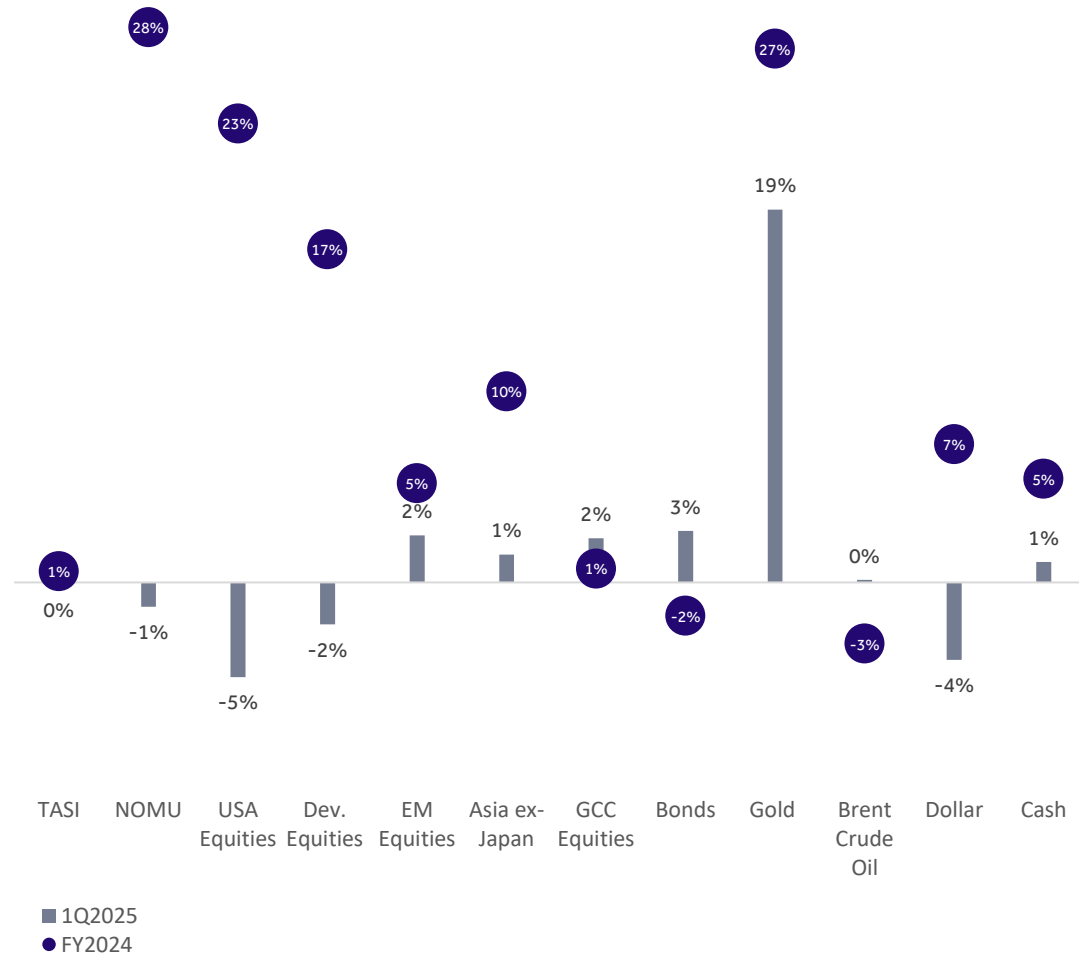


### Top Losers

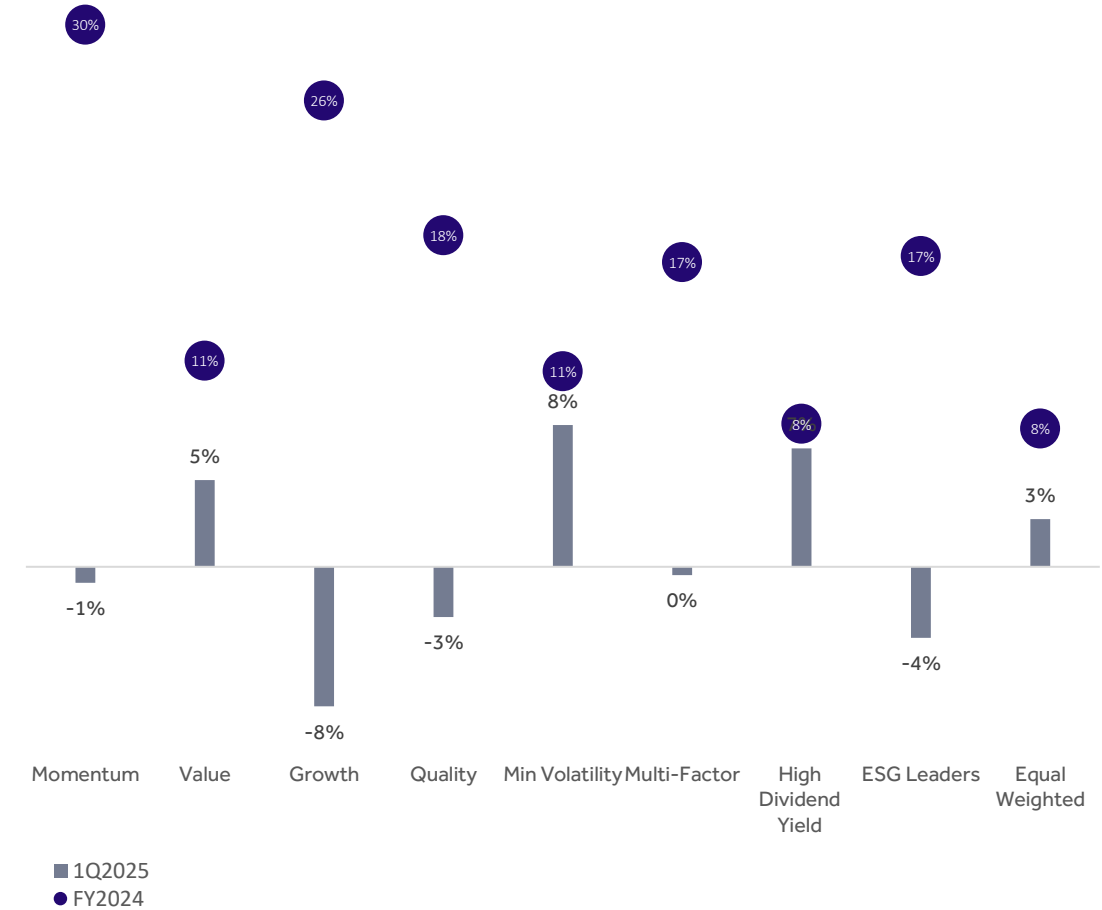


## Global Market & Style Factor Performance – 1Q2025 Snapshot

### Global Markets Performance



### Global Style Performance



# 2025 Market Outlook Update

## Sectors

## Outlook

Negative Neutral Positive

Banks



Energy



Materials



Health Care & Pharma



Retails



Utilities



Telecom & IT



Transportation



Software & Services



Food & Beverages



## ■ 2025 Outlook

- We reiterate our **positive view on the Saudi market for FY 2025**, despite the recent volatility in the local, regional, and global markets. We expect the TASI to experience a low to mid single-digit growth for 2025.
  - We expect earnings to grow in 2025, led by Banks, TMT, Health Care as well as the newly listed companies.
  - Despite expected inflationary pressure likely on Tariffs, we believe there would be 2 interest rates cuts towards the tail end of 2025, which will positively impact the market.
  - IPO momentum is expected to continue in the Main market and Nomu market in 2025. In 1Q2025, 3 IPOs have already been completed. Pertinent to note that companies from diverse sectors are being listed ranging from manufacturing to financial services to aviation.
- While the Turnover in 1Q2025 has been -34% lower Y/Y at SAR 5.9 bln per day, we expect **Turnover to improve** in the second half of the year, particularly as market sentiment improves and uncertainties subside.
- The oil sector in the economy may face challenges due to lower crude oil prices. Our in-house average Brent crude estimate for 2025 stands at USD 68/bbl.
- For 2025, Riyad Capital estimates for **overall GDP growth are over 3%**, while **non-oil growth will remain strong above 4%**.
- **Population growth** plans remain in place and recent data shows an increase in the number of expatriates coming into The Kingdom, which would drive demand for housing, goods, and services.
- **Inflation remains under control**, with CPI likely at 2.5% in 2025.
- TASI trades at a forward **PE of 14.8x, a substantial discount to the 5 year average**.



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