



هيئة الأوراق المالية والسلع  
SECURITIES & COMMODITIES AUTHORITY



# Annual Report

## Emirates Securities Market Performance & Summary of SCA Achievements

# 2011



شهادة الايزو 9001.2008 لتنظيم الجودة  
ISO 9001.2008 certified

جائزتي برنامج خليفة للتميز الحكومي  
Sheikh Khalifa Government Excellence Awards



The following photos show some of the SCA's significant activities and events in 2011



The 2nd meeting of Ministerial Committee of Board Chairpersons of GCC Financial Market Regulators, chaired by H.E. Engineer/ Sultan bin Saeed Al-Mansoori, Minister of Economy



SCA Board meeting, being presided over by H.E. Engineer/ Sultan bin Saeed Al-Mansoori, Minister of Economy



Signing of MoU between SCA and EIBFS



1st Prize Winner of SCA-sponsored "Mah-Faza" Investment Awareness Program, Telecast by CNBC Arabia TV Channel.



Award ceremony for PJSCs which implemented corporate governance rules



A shot from the SCA celebration of 40th UAE National Day Anniversary



SCA-organized awareness forum under the theme: "Role of Banks in Financial market Activities"

## Achievements.

The UAE has recorded many achievements last year within the framework of its 2011 strategic and operation plan. The achievements were recorded via about 150 initiatives. Below is the summary of the most significant achievements.

### First: Organization

- Approval given for establishment of five public joint stock companies. They are: Ettihad Credit Information Co., Butina Holding Co., Eshraq Properties, National Takaful Company (Watania) and Dar Insurance.
- Registration of five (5) public joint stock companies (PJSCs), including four local firms and one foreign firm, in a step towards listing them on the UAE markets.
- Issuing approval for setting up of three Sharia-compliant local mutual funds. They are: Abu Dhabi Islamic Bank Fund for investment in Middle East and North Africa (MENA) shares, Hilal Fund for investment in Gulf shares, Al-Mal Capital for investment in Saudi Arabian shares.
- Approval given for promotion of 79 foreign mutual funds (affiliated to international banks) in the country.
- Applying the mechanism of partial payment to boost liquidity. Companies interested in converting into a public joint stock company may keep 25% of the nominal value of the shares floated for public subscription, while paying the value of the remaining shares from the subscribers within two years from the date of incorporating the company. The stocks of Eshraq Properties were floated based on this new principle.
- Innovating an early notice system for renewal of registration and another system for instant renewal of registration for PJSCs.
- Enforcing the application of corporate governance system. This saw the appreciation of number of PJSCs which adhered strictly to the Corporate Governance rules to about 98% of the total companies concerned.
- Approval given to companies which applied for exemption from some rules of Article (168) of the Commercial Companies Law concerning buy-back of a company's shares, which, according to the rules of the Article, should not exceed the maximum of 10%. Four companies got the exemption.
- An international securities identification number (ISIN) for securities of local PJSCs listed on the market was issued and published on the SCA website.
- The SCA prepared about 60 studies on updating the current regulations, promulgating new ones and on best international practices on various financial-market related topics. It also conducted scientific researches on financial services.
- Signing of eight (8) memoranda of understanding with foreign and local bodies, including the International Federation of Technical analysts (IFTA), International Compliance Association (ICA), UAE Accountants and Auditors Association (AAA), Abu Dhabi Media Free Zone, Emirates Institute of Banking and Financial Studies (EIBFS), UAE University, Zayed University and the University of Sharjah.
- Organizing of SCA annual conference under the theme: "Restructuring the Regulatory System of Financial Sector", as well as six other conferences and meetings, including a meeting with the Islamic Financial Services Board (IFSB), the 3rd and 4th meetings of the Heads of GCC Securities Market

Regulators and the 2nd meeting of Ministerial Committee of Board Chairpersons of GCC Financial Market Regulators and a working meeting on Twin Peaks regulatory model with the Netherlands Authority for Financial Markets (AFM).

- The SCA has succeeded in its efforts to get a 50 – 75% cut in the annual expenses by brokerage firms regarding their communication network lines with the markets. This was achieved without compromising the quality, efficiency and electronic security of the service.
- Issuing of agreement form for margin Trading to regulate contractual ties between brokerage firms and their clients.
- Effecting a new service of online license renewal for brokers.
- To boost Emiratization of the brokerage profession, the SCA has borne the cost of the professional brokers' license exams for UAE nationals in their first attempt to acquire the license to encourage them to pursue securities brokerage career.
- It has also simplified the procedures for payment of monies indebted to brokerage firms whose license had been cancelled by depositing their entitlements in a bank account at the Dubai Financial Market.

### Second: Supervision

- Putting in place new rules for payment of fines and dues.
- Introducing penalty waiver initiative to encourage companies to avoid repeating a violation.
- The SCA successfully closed the Golden Gate Securities case, having settled 99.2% of concerned clients.
- Lifting of suspension on Tamweel's stock on the financial market and resumption of trading in the company's stocks.
- Supervision and inspection training programs for employees of regulators from inside and outside the UAE.

### Third: Legislation

- Issuing of Delivery versus Payment (DvP) Regulation. The regulation outlines the procedures for trading settlement for clients of securities custodians and the compulsory timeframe for such a settlement.
- The SCA proactively participated in preparing the draft of Companies Law, which was ratified by the Cabinet late last year.
- Amending eight SCA regulations, including: regulations for brokers, margin trading, market functions, trading, clearance, settlement, ownership transfer, securities custody and payment of dues, in implementation of the Federal Law and its related regulations, arbitration cost and dues payable as outlined in the Regulation for Arbitration, Anti-Money Laundering and Terror Finance procedures and Regulation for Financial Consultation and Financial Analysis.
- Preparing unified rules for listing of stocks on GCC markets, unified rules for listing of bonds and Sukuk in GCC states and unified rules for listing of mutual funds units in GCC countries.



- SCA followed up 13 legal suits in which it is a party.
- SCA also followed-up two arbitration requests with one of the two cases having been settled.

## Fourth: Organizational & Support Services

- SCA adopted and activated a mission program by sending a number of its staff on sensitization mission to Malaysia's Securities Commission and seven others to the Capital Market Authority of Saudi Arabia.
- A total of 159 SCA employees participated in 99 professional training programs, spanning 7,234 training hours.
- 39 SCA employees successfully completed the eLearning training program (Global English).
- As part of its deep commitment to social responsibilities towards students in the country, the SCA trained during the Summer holiday 10 students of the Higher Colleges of Technology (HCT) and the UAE University at its various department.
- As part of the "Customer Service Excellence" project, the SCA organized for 28 of its staff a special training program on "Customer Service Excellence", executed an electronic awareness campaign on "customer Service", trained 49 employees through a special online training program on customer service excellence, while 12 SCA employees succeeded in acquiring international certificate in customer service from the UK-based Institute of Leadership and Management (ILM).
- Prepared and designed a customer service charter dubbed "Customer Service Excellence Manual".
- Released 12 issues of "Tatweer" monthly newsletter, which recorded a satisfaction rate of 85% among the SCA employees.
- As part of its commitment to provide the best services to its employees within the framework of its "Environment Without Paper" electronic program, the SCA introduced and started using a free-flow of administrative work system dubbed "Talaby" to execute all procedures of the human resources and financial affairs and the supervision departments.
- The SCA has achieved a total conversion to the GP mechanization system, linking payment electronically with electronic bills to ensure proper monitoring of payments.
- SCA issued a manual for "Procedure for Preparing Estimate Budget" and another manual for "Charter and Methodology of the Internal Audit Unit".
- Unification of database of SCA's byelaws and promulgation of unified byelaws and circulating them to all the various departments (Companies regulation – Oracle)
- Developing and effecting the publishing of rules and regulations and the Emirates Securities Market Index via smart phones (Black Berry, iPhone and iPad).
- The SCA completed providing a digital infrastructure for public joint stock companies and brokers to make their disclosure by using the XBRL system, making the UAE the pioneer in the use of XBRL in the region and in the development of both Islamic and non-Islamic taxonomies for the banking and insurance sectors that utilize taxonomy labels in both Arabic (a first worldwide) and English, as well as in applying the system in a way that matches with the International Financial Reporting

Standards (IFRS) system.

- Development and activation of the Emirates Securities Market (ESM) Index in its new classification system of ten sectors and launching of a new live trading screen (Market Watch).
- Developing a suggestion and complaint system and activating an electronic poll system through which eight internal and external polls have been conducted.
- The IT Department won the ISO 27001:2005 Award in Information Security, having implemented successfully security and protection standards for IT projects.
- Developing information security systems for protection against piracy and hacking.
- Execution of educational programs for investors, university students, brokers, financial analysts and other interested parties, legal awareness program for concerned parties in the Securities industry and workshops on corporate governance and institutional discipline standards.
- In collaboration with the Nielson International, the SCA conducted a study on the level of customer satisfaction with its services.
- In collaboration with the local media, the SCA organized four investment awareness campaigns in the print and electronic media, including satellite TV channels like Abu Dhabi Channel, Sama Dubai, Dubai Channel and Dubai 1.
- Launching of a special TV program, dubbed "Al-Mah'faza" being telecast by the CNBC Arabia Satellite TV channel. The program, first of its kind in the UAE and the Arab region, spreads awareness among investors and the general audience through a unique investment simulation competition on a virtual securities market, with attractive cash prizes for the first three winners.
- The SCA launched a digital media center which contains all media items, including films, photos, newspaper cuttings, advertisements published by the SCA for archiving and research works.
- Issuing of professional magazine named "Awraq Maliya" which deals in issues related to securities and commodities industry.
- The SCA produced a documentary film entitled "Investment Plan" to educate investors, in addition to a number of animation films to create awareness among the various parties involved in the securities industry.
- The SCA participated in the Abu Dhabi and Sharjah international book fairs to distribute its investment awareness printed materials to visitors of the two shows and to disseminate information about the SCA's works and achievements.
- In collaboration with the Thomson Reuters and TwoFour 54, the SCA organized in Abu Dhabi and Dubai courses for Business reporters and financial analysts. It also organized a course for directors and officials of its various departments on how to deal with the media.
- The SCA has also issued three booklets for investment awareness purposes and four guidebooks and booklets on working procedures in various SCA departments.
- The SCA proactively participated in the 40th anniversary celebrations of the UAE national day by organizing events in both Abu Dhabi and Dubai to mark the occasion.

## The Emirates Securities Market (ESM) has witnessed various developments in 2011. Following is an overview of the major developments:

- The ESM index depreciated by 11.82% in 2011 to close at 2341.42 points.
- The market value of the shares of the local companies listed on the market amounted to about AED346billion by the end of the year 2011, representing a depreciation of 10.19% compared to the closing value of the previous year, 2010.
- The total volume of trading in 2011 amounted to about 41 billion shares valued at approximately AED 56.8 billion, compared to 56billion shares with a total value of AED103.8billion traded in 2010. The rate of decline in trading volume stood at 26.8%, while the rate of depreciation in traded value stood at 45.26%.
- There was an overall decline in the performance of all sectors with the exception of the banking sector, which recorded an increase of 1.08% to settle at 1536.85 points compared to 1520.44 points, followed by the insurance sector which recorded a decline of -8.1% to settle at 1794.36 points against 1953.44 recorded in the previous year. It was followed by consumer Staples sector which depreciated by -10.26% to settle at 839.274 points compared to 935.238 points. The telecommunication sector followed with a decline of -13.27% to settle at 1672.29 points compared to 1928.17 points recorded in 2010. Similarly, the services sector suffered a decline rate of -14.44% to settle at 1174.27 points compared to 1372.46 points recorded in 2010, followed by the transport sector with a depreciation rate of -24.33% to settle at 1686.43 points compared to 2228.81 points in 2010, then the energy sector which slipped by -25.59% to settle at 117.954 points in 2011 compared to 158.527 points the previous year. The real estate sector followed with a fall of -32.85% to settle at 1716.72 points in 2011 compared to 2556.64 points in the previous year, then the industry sector which slipped by -34.30% to settle at 680.513 points in 2011 compared to 1035.78 points the previous year, while the investment and financial services sector also plummeted by -41.39% to settle at 1623.41 points in 2011 compared to 2769.63 points recorded in 2010.
- During the year, three (3) new local public joint stock companies were listed on the ESM, while four (4) foreign companies were delisted. This pushed the total number of listed companies from 129 companies by the end of 2010 to 128 companies by the end of December 2011.

## Performance of ESM from 2001 to 2011

Table No. (1) shows the advancement of ESM index, market value (capitalization), trading volume, trading value, number of trades and number of listed companies from 2001 to 2011.

Table No. (1)

Year	ESM Index	Market Cap. (AED)	Traded Volume (Share)	Traded Value (AED)	No. of Trades	No. of Listed Co.
2001	1,116.68	50,130,930,613	77,253,923	1,515,071,809	19,334	27
2002	1,253.36	109,784,090,882	209,230,202	3,861,378,020	36,341	37
2003	1,657.24	145,631,820,623	561,439,842	7,457,778,820	50,712	44
2004	3,251.57	305,803,235,070	6,069,276,451	66,786,465,772	299,280	53
2005	6,839.97	839,683,136,512	33,811,933,303	509,868,016,048	2,300,452	89
2006	4,031.01	514,697,464,200	50,939,871,239	418,149,306,407	3,138,749	106
2007	6,016.21	824,629,199,856	157,318,141,814	554,333,583,214	3,354,617	120
2008	2,552.23	363,872,030,000	126,439,280,603	537,134,415,081	3,257,450	130
2009	2,771.56	404,702,513,093	148,297,352,509	243,489,889,472	2,728,964	133
2010	2,655.32	385,429,934,198	56,003,360,875	103,804,933,675	1,158,505	129
2011	2,341.42	346,135,787,877	40,995,866,992	56,819,194,126	728,097	128

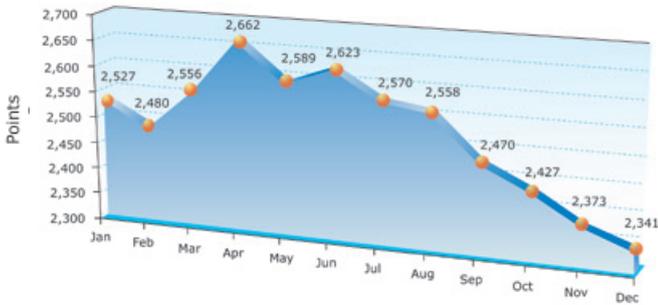
Source: Securities and Commodities Authority

Summary of ESM performance over the past years up to the end of December 2011



**Chart No. (1)**

It shows index movement in 2011 on a monthly basis



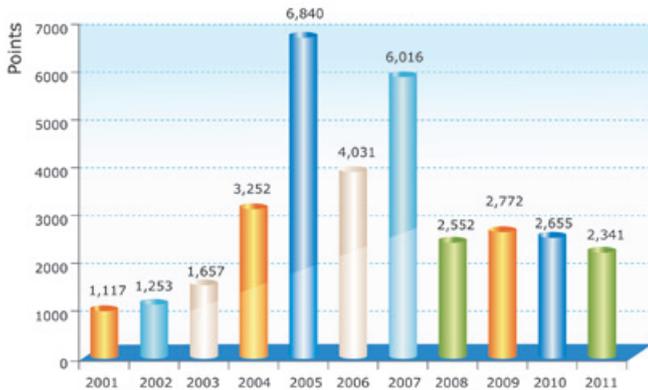
**Chart No. (2)**

It shows the monthly growth rate of the index in 2011



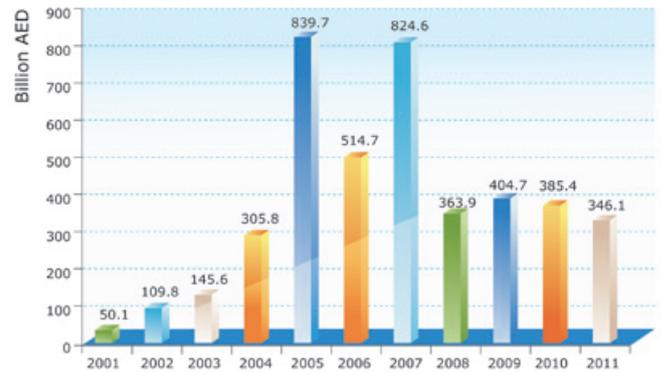
**Chart No. (3)**

Annual development of ESM index movement since inception up to 2011



**Chart No. (4)**

Annual traded value (2001 to 2011)



Three new local public joint stock companies (PJSCs) were listed on the ESM, while four foreign PJSCs were delisted. This brought the total of listed companies from 129 at the end of 2010 to 128 companies at the end of December 2011.

**Table No. (2)**

Companies listed during the year

Sector	Company	Status
Insurance	National Takaful Co. (Watania)	UAE
Real Estate	Eshraq Properties	UAE
Insurance	Insurance House	UAE

Source: Securities and Commodities Authority

**Table No. (3)**

Companies delisted during the year

Sector	Company	Status
Investment	Gulf Petroleum Investment	Kuwait
Real Estate	Grand Real Estate Projects	Kuwait
Real Estate	National Real Estate Co.	Kuwait
Telecom	Palestine Telecom	Palestine

Source: Securities and Commodities Authority

## Foreign Investment in 2011

The local markets of the United Arab Emirates had witnessed remarkable trading activities by foreign investors in 2011. The total purchase value by foreigners amounted to about AED 23.67 billion, while the total sales value by foreigners amounted to AED 23.45 billion, with a net foreign investment of AED 224.28 million.

**Table No. (4)**  
**Trading activities of foreign investors in 2011**

Market	Total Purchase Value (AED)	Total Sale Value (AED)	Net Investment (AED)	Trading Rate %
ADX	8,407,725,240	8,347,809,051	59,916,188	33.70%
DFM	15,266,142,727	15,101,780,358	164,362,369	47.32%
Total	23,673,867,967	23,449,589,409	224,278,557	41.37%

Source: ADX & DFM

## Net Foreign Investment on UAE Markets

Table No. (5) shows a comparison between net foreign investment for the years 2009, 2010 and 2011.

**Table No. (5)**

Year	2009	2010	2011
Net foreign investment (AED Million)	2,636	-54	224

Source: ADX & DFM

**Table No. (6)**  
**The net investment of 2011 compared to 2010**

Market	Net Investment 2010	Net Investment 2011	Change
ADX	-235,097,707.00	59,916,188.09	295,013,895.09
DFM	180,313,609.00	164,362,369.00	-15,951,240.00
Total	-54,784,098	224,278,557	279,062,655

Source: ADX & DFM

- The information above clearly shows a surge in the inflow of foreign investment to ADX and DFM as net foreign investment inflow reached AED 224 million in 2011, a positive trend compared to 2010 which recorded a negative outcome of -AED54 million for the two markets.
- Foreign traders (non-Emiratis) accounted for 41.3% of the total trading value in 2011.



## Detailed Statistical Bulletin of ESM Performance in 2011

The Emirates Securities Market (ESM) has witnessed depreciation in the prices of shares of the listed companies. The number of companies which closed with a decline in their share prices by the end of trading sessions of 2011 – compared to the closure of the previous year (2010) – stood at 85 companies out of a total of 110 companies whose shares were traded. Meanwhile, the closing share prices for 22 companies advanced and the closing share price of three (3) companies remained stable, while the shares of 21 companies were not traded. It's worth noting here that a total of 129 companies were listed on the ESM in 2010 but the number slipped to 128 by the end of 2011 following the delisting of four (4) companies and the listing of three (3) new firms. See Table No. (7).

**Note:** Palestine Telecom delisted soon after the end of 2010 trading

Table No. (7)

Companies	Numbers
Advanced	22
Declined	85
Stable	3
Untraded	21
Traded	110
Listed during the year 2012	3
Delisted	4
Listed at end of 2010	129
Listed at end of 2011	128

Source: Securities and Commodities Authority

## Benchmark Indices

The performance of all sectors slipped in 2011 except the banking sector index which appreciated by 1.08% to settle at 1536.85 points compared to 1520.44 points recorded in the previous year. This was followed by the insurance sector which recorded a decline of -8.1% to settle at 1794.36 points against 1953.44 recorded in the previous year. It was followed by consumer staples sector which depreciated by 10.26% to settle at 839.274 points compared to 935.238 points. The telecom sector followed with a decline of -13.27% to settle at 1672.29 points compared to 1928.17 points recorded in 2010. Similarly, the service sector suffered a decline rate of -14.44% to settle at 1174.27 points compared to 1372.46 points recorded in

2010, followed by the transport sector with a depreciation rate of -24.33% to settle at 1686.43 points compared to 2228.81 points in 2010, then the energy sector which slipped by -25.59% to settle at 117.954 points in 2011 compared to 158.527 points the previous year. The real estate sector followed with a fall of -32.85% to settle at 1716.72 points in 2011 compared to 2556.64 points in the previous year, then the industry sector which slipped by -34.30% to settle at 680.513 points in 2011 compared to 1035.78 points the previous year, while the investment and financial services sector also plummeted by -41.39% to settle at 1623.41 points in 2011 compared to 2769.63 points recorded in 2010.

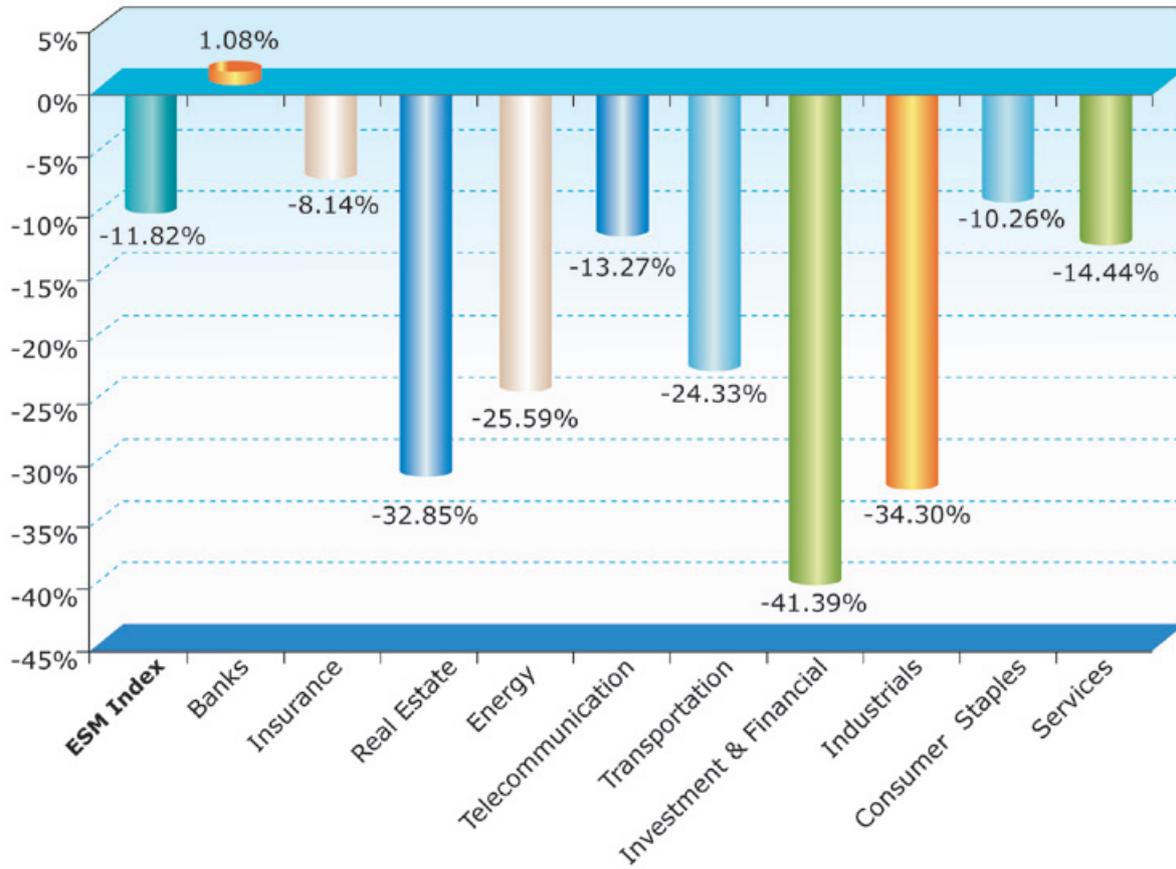
Table No. (8)

Sectors	Closing by End of 2010	Closing by End of 2011	% of Annual Change	Annual Trading Value (AED)	Market Capitalization (AED)
Banks	1,520.45	1,536.86	1.08%	9,227,659,542	165,232,673,819
Insurance	1,953.44	1,794.36	-8.14%	2,821,586,638	18,176,209,393
Real Estate	2,556.64	1,716.73	-32.85%	26,039,931,791	28,797,033,590
Energy	158.53	117.95	-25.59%	2,477,473,066	10,440,000,000
Telecommunications	1,928.17	1,672.30	-13.27%	6,233,919,334	85,394,486,770
Transportation	2,228.82	1,686.44	-24.33%	3,098,940,409	5,725,891,200
Investment & Fin. Services	2,769.63	1,623.41	-41.39%	3,682,265,472	10,828,691,992
Industry	1,035.78	680.51	-34.30%	1,756,800,642	9,410,374,355
Consumer Staples	935.24	839.27	-10.26%	348,132,214	3,701,422,500
Services	1,372.47	1,174.27	-14.44%	1,132,485,019	8,429,004,258
<b>ESM Index</b>	<b>2,655.32</b>	<b>2,341.42</b>	<b>-11.82%</b>	<b>56,819,194,126</b>	<b>346,135,787,877</b>

Source: Securities and Commodities Authority

Chart No. (5)  
Performance indices sector-wise in 2011

Chart No. (5) illustrates the performance indices of the sectors represented on the ESM in 2011. As evidently clear in the chart, the indices of all sectors, with the exception of the banking sector, have plummeted during the period.



## Trading Activity on the Market

The total value of the shares traded in 2011 amounted to about AED 56.8 billion. While the number of completed trades stood at about 728,000 trades, while the number of shares in trade plummeted to approximately 41 billion shares during the same period.

Table No. (9) provides a comparison for the trading activities during the quarterly and semi-annual periods of 2011:

Table No. (9)

2010	Volume (Shares)	Value (AED)	Trades	%
1st Quarter	12,207,831,346	18,385,170,233.40	230,645	31.7%
2nd Quarter	14,919,687,302	19,836,184,926.54	244,670	33.6%
<b>1st Half</b>	<b>27,127,518,648</b>	<b>38,221,355,159.94</b>	<b>475,315</b>	<b>65.3%</b>
3rd Quarter	7,205,562,974	9,925,708,726.34	134,940	18.5%
4th Quarter	6,662,785,370	8,672,130,240.09	117,842	16.2%
<b>2nd Half</b>	<b>13,868,348,344</b>	<b>18,597,838,966.43</b>	<b>252,782</b>	<b>34.7%</b>
<b>Total</b>	<b>40,995,866,992</b>	<b>56,819,194,126.37</b>	<b>728,097</b>	<b>100.0%</b>

Source: Securities and Commodities Authority

## Comparison of Trading Turnover between ADX and DFM

In 2011, approximately 283,280 trades were plied on the Abu Dhabi Securities Exchange (ADX) by trading in 15.83 billion shares with a total value of AED 24.72 billion; whereas on the Dubai Financial Market (DFM) approximately 444,810 trades were transacted by trading in 25.16 billion shares with a total value of AED 32.08 billion.

Table No. (10) shows trading turnover on both ADX & DFM

Table No. (10)

2010	ADX			DFM		
	Volume (Shares)	Value (AED)	Trades	Volume (Shares)	Value (AED)	Trades
1st Quarter	4,769,841,073	7,471,753,853.07	87,259	7,437,990,273	10,913,416,380.33	143,386
2nd Quarter	5,277,171,469	8,353,488,140.73	88,645	9,642,515,833	11,482,696,785.81	156,025
<b>1st Half</b>	<b>10,047,012,542</b>	<b>15,825,241,993.80</b>	<b>175,904</b>	<b>17,080,506,106</b>	<b>22,396,113,166.14</b>	<b>299,411</b>
3rd Quarter	2,901,713,896	4,717,070,878.04	57,670	4,303,849,078	5,208,637,848.30	77,270
4th Quarter	2,883,458,182	4,187,225,475.08	49,709	3,779,327,188	4,484,904,765.01	68,133
<b>2nd Half</b>	<b>5,785,172,078</b>	<b>8,904,296,353.12</b>	<b>107,379</b>	<b>8,083,176,266</b>	<b>9,693,542,613.31</b>	<b>145,403</b>
<b>Total</b>	<b>15,832,184,620</b>	<b>24,729,538,346.92</b>	<b>283,283</b>	<b>25,163,682,372</b>	<b>32,089,655,779.45</b>	<b>444,814</b>

Source: Securities and Commodities Authority

## Monthly Traded Value of the ESM in 2011

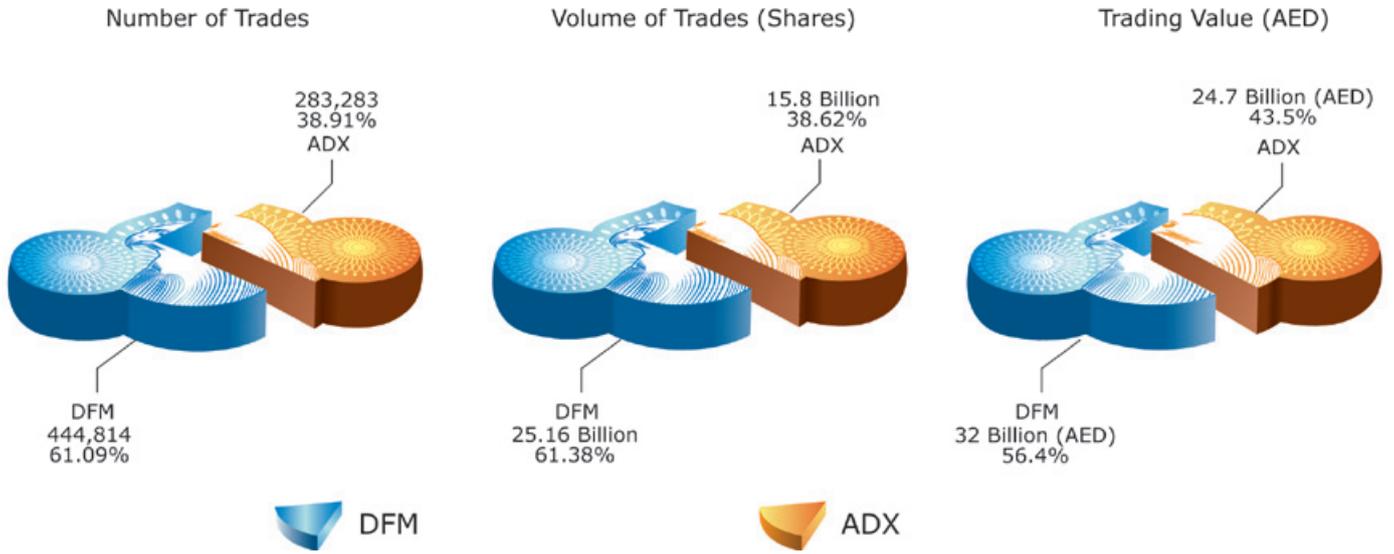
Table No. (11)

Year/ month	ADX			DFM			Total		
	Trades	Volume	Value	Trades	Volume	Value	Total Trades	Total Volume	Total Value
1	29,070	1,535,770,250	2,484,987,956	38,852	1,962,759,315	3,006,880,067	67,922	3,498,529,565	5,491,868,023
2	24,582	1,252,779,732	2,147,220,020	38,175	1,841,111,649	2,714,556,690	62,757	3,093,891,381	4,861,776,710
3	33,607	1,981,291,091	2,839,545,877	66,359	3,634,119,309	5,191,979,623	99,966	5,615,410,400	8,031,525,500
4	37,459	2,448,180,258	3,588,212,158	62,823	3,940,365,304	4,906,167,612	100,282	6,388,545,562	8,494,379,770
5	27,310	1,515,092,188	2,465,859,887	50,682	3,162,111,350	3,454,700,966	77,992	4,677,203,538	5,920,560,854
6	23,876	1,313,899,023	2,299,416,095	42,520	2,540,039,179	3,121,828,207	66,396	3,853,938,202	5,421,244,303
7	20,854	1,032,205,003	1,625,908,995	26,727	1,418,711,942	1,735,835,738	47,581	2,450,916,945	3,361,744,733
8	19,603	977,286,865	1,797,062,882	27,420	1,551,374,450	2,111,051,189	47,023	2,528,661,315	3,908,114,071
9	17,213	892,222,028	1,294,099,000	23,123	1,333,762,686	1,361,750,922	40,336	2,225,984,714	2,655,849,922
10	18,605	962,163,851	1,424,059,096	24,757	1,433,596,428	1,531,880,085	43,362	2,395,760,279	2,955,939,181
11	14,471	795,578,971	1,187,966,486	17,552	930,524,515	1,084,916,035	32,023	1,726,103,486	2,272,882,520
12	16,633	1,125,715,360	1,575,199,894	25,824	1,415,206,245	1,868,108,645	42,457	2,540,921,605	3,443,308,539
<b>Total 2011</b>	<b>283,283</b>	<b>15,832,184,620</b>	<b>24,729,538,347</b>	<b>444,814</b>	<b>25,163,682,372</b>	<b>32,089,655,779</b>	<b>728,097</b>	<b>40,995,866,992</b>	<b>56,819,194,126</b>

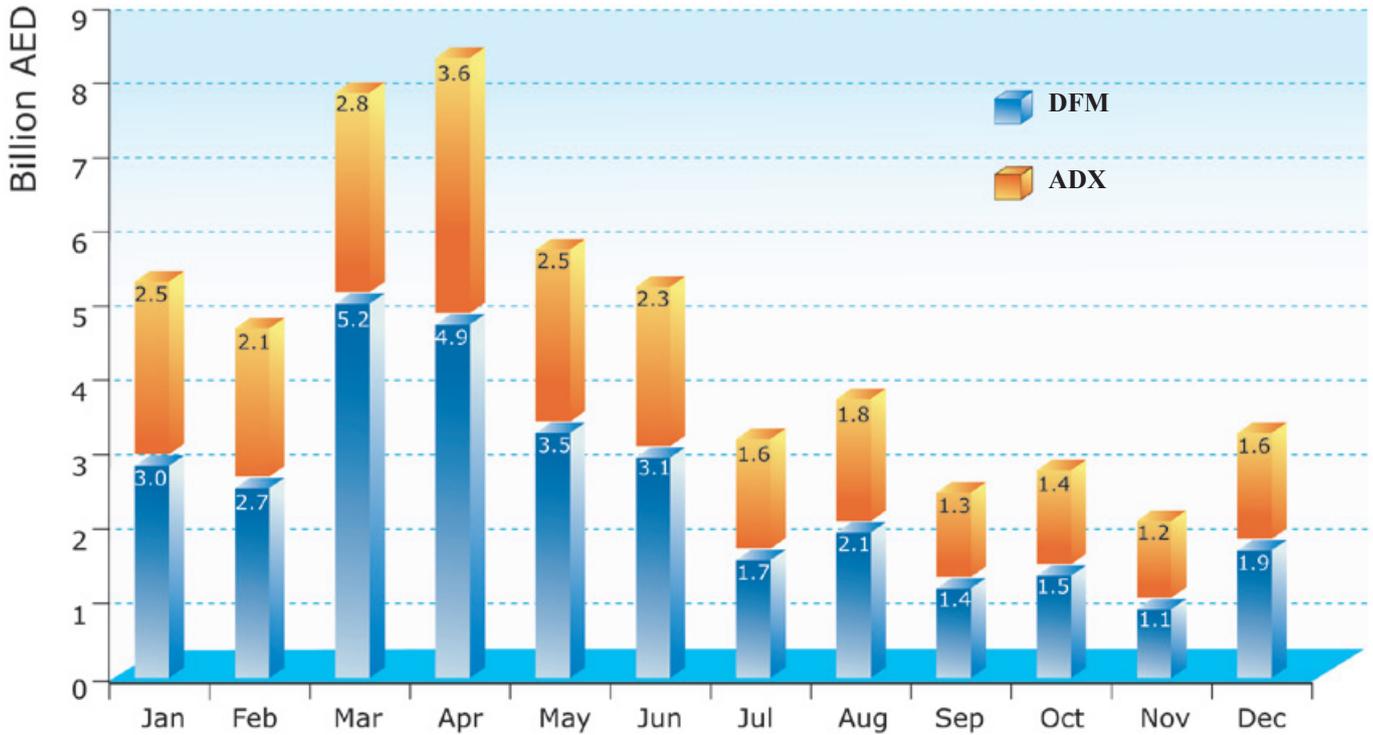
Source: Securities and Commodities Authority

Charts numbers (6) to (10) illustrate a number of inputs pertaining to the trading activity on the ESM.

**Chart No. (6)**  
**Distribution of trading activities between ADX and DFM in 2011**



**Chart No. (7)**  
**Monthly trade value on ESM in 2011**



## Trading Activity by Sector in 2011

The real estate sector topped the chart in terms of trade value in 2011 with 45.83% of the total value of traded shares, followed by the banking sector with 16.24%, the telecom sector followed with 10.97%, then the investment and financial services sector with 6.48%, followed by the transport sector with 5.45%, then the insurance sector with 4.97%, the energy sector with 4.36%, the industry sector with 3.09%, the services sector with 1.99% and finally, the consumer staples sector with 0.61%.

Table No. (12) shows the trading activities, sector-wise in 2011.

Table No. (12)

Sectors	Trades	Volume (Shares)	Value (AED)	%
Banks	114,242	4,839,686,439	9,227,659,542	16.24%
Insurance	52,859	2,129,165,333	2,821,586,638	4.97%
Real Estate	308,793	18,466,619,359	26,039,931,791	45.83%
Energy	32,598	3,744,451,677	2,477,473,066	4.36%
Telecommunications	64,431	1,755,882,358	6,233,919,334	10.97%
Transportation	47,227	3,431,383,056	3,098,940,409	5.45%
Investment & Fin. Services	66,400	4,007,422,938	3,682,265,472	6.48%
Industry	23,745	1,737,796,472	1,756,800,642	3.09%
Consumer Staples	2,800	90,179,865	348,132,214	0.61%
Services	15,002	793,279,495	1,132,485,019	1.99%
<b>ESM Index</b>	<b>728,097</b>	<b>40,995,866,992</b>	<b>56,819,194,126</b>	<b>100%</b>

Source: Securities and Commodities Authority

Table No. (13) shows trading value in AED by sector and financial market and percentage to the gross total in 2011

Table No. (13)

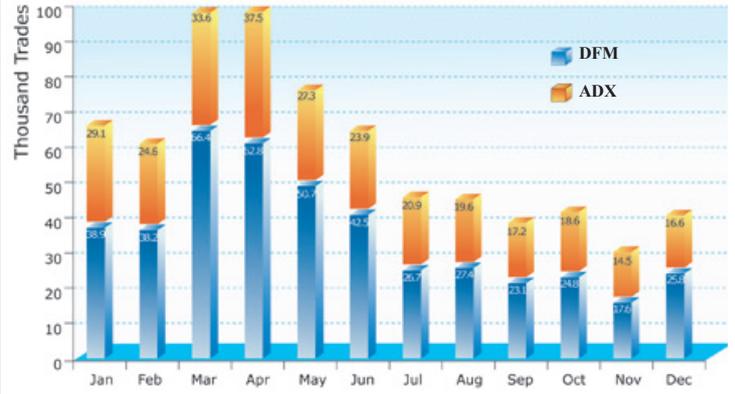
Sector	ADX		DFM		ESM	
	Value	%	Value	%	Value	%
Banks	5,147,620,289	9.06%	4,080,039,253	7.18%	9,227,659,542	16.24%
Insurance	2,073,377,309	3.65%	748,209,329	1.32%	2,821,586,638	4.97%
Real Estate	8,293,688,396	14.60%	17,746,243,394	31.23%	26,039,931,791	45.83%
Energy	2,477,473,066	4.36%		0.00%	2,477,473,066	4.36%
Telecommunications	3,952,236,324	6.96%	2,281,683,010	4.02%	6,233,919,334	10.97%
Transportation		0.00%	3,098,940,409	5.45%	3,098,940,409	5.45%
Investment & Fin. Services	286,079,382	0.50%	3,396,186,090	5.98%	3,682,265,472	6.48%
Industry	1,754,656,983	3.09%	2,143,659	0.00%	1,756,800,642	3.09%
Consumer Staples	314,284,488	0.55%	33,847,726	0.06%	348,132,214	0.61%
Services	430,122,109	0.76%	702,362,910	1.24%	1,132,485,019	1.99%
<b>Total</b>	<b>24,729,538,347</b>	<b>43.52%</b>	<b>32,089,655,779</b>	<b>56.48%</b>	<b>56,819,194,126</b>	<b>100.00%</b>

Source: Securities and Commodities Authority

**Chart No. (8)**  
**Monthly traded volume of ESM in 2011**

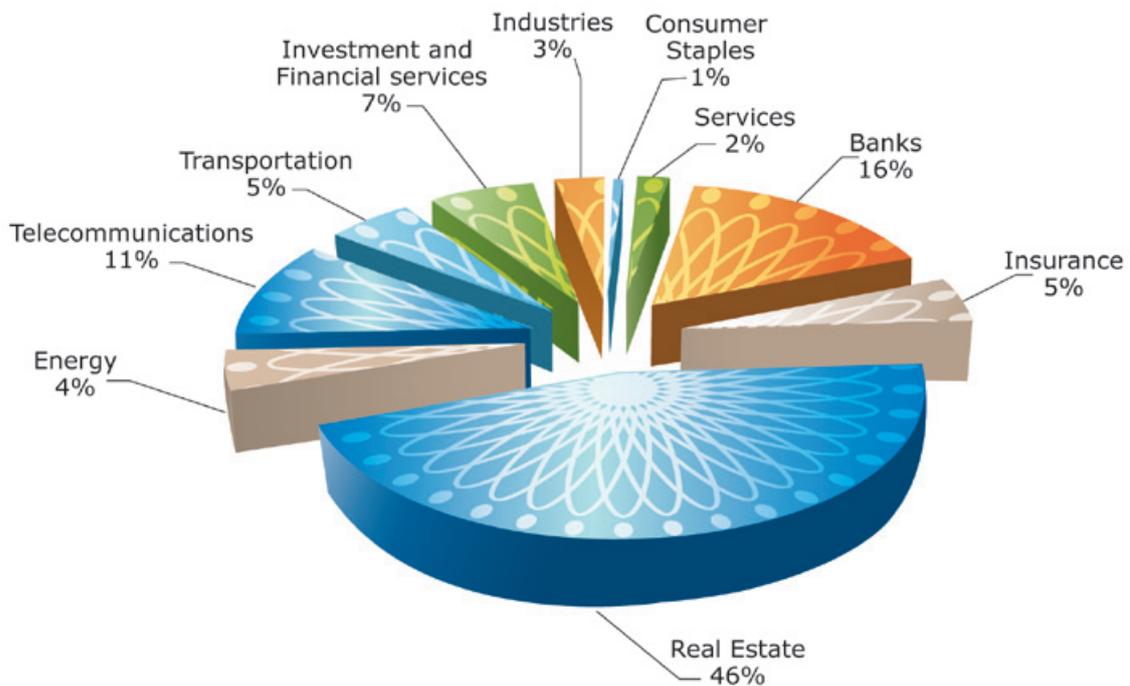


**Chart No. (9)**  
**Monthly total number of trades on ESM in 2011**



**Chart No. (10)**

**Total Trading value sector-wise in 2011**



## Trading Activity in Shares of Listed Companies

The year 2011 has witnessed a decline in the prices of many shares, with the depreciation of the prices of 85 out of 110 companies whose shares were traded. The share prices for 22 companies appreciated, while those of three companies remained stable.

The shares of Emaar Properties and Arabtec Holding recorded the highest trading activity during the period. The traded value for Emaar Properties during the period was approximately AED 9.09billion, representing 16.01% of the total traded value, while that of Arabtec was approximately AED 5.77billion, accounting for 10.16% of the total traded value.

The shares of Dubai Refreshments and Takaful recorded the highest increase in market value with the market value of their stock surging by 155.32% and 147.23% respectively. Meanwhile, the shares of both TABREED and Fujairah Cement suffered the biggest slip of -70.30% and -65.00% respectively.

Table No. (14) shows the top traded companies on ESM.

**Table No. (14)**  
Top traded companies value-wise

Company	Closing Price (AED)	% of change	Value of change	Trading Value	% of Total Trading
Emaar Properties	2.570	-27.61 %	-0.980	9,094,030,108.20	16.01%
Arabtec Holding	1.590	0.89 %	0.014	5,770,581,290.14	10.16%
Aldar Properties	0.920	-59.65 %	-1.360	5,647,023,604.22	9.94%
Etisalat	9.130	-15.46 %	-1.670	3,897,649,601.53	6.86%
DFM	0.840	-44.37 %	-0.670	2,523,921,163.11	4.44%

Source: Securities and Commodities Authority

Table (15) shows the companies with the highest increase in share price on the ESM.

**Table No. (15)**  
Highest increase in share price

Company	Closing Price (AED)	% of change	Value of change	Trading Value
Dubai Refreshments	10.400	155.32 %	6.33	31,313,059.40
Takaful	6.250	147.23 %	3.72	3,813,616.18
Al Dhafra Insurance	6.500	73.33 %	2.75	13,600,115.30
ADCB	2.780	34.30 %	0.71	1,008,514,146.10
Mashreq Bank	101.500	22.29 %	18.50	1,508,369.20

Source: Securities and Commodities Authority

Table (16) shows the companies with the lowest increase in share price on the ESM.

**Table No. (16)**  
Highest decrease in share price

Company	Closing Price (AED)	% of change	Value of change	Trading Value
TABREED	0.496	-70.30 %	-1.17	700,190,651.98
Fujairah Cement	1.050	-65.00 %	-1.95	441,704.55
ASMAK	3.050	-61.88 %	-4.95	189,163,497.59
Aldar Properties	0.920	-59.65 %	-1.36	5,627,433,860.63
Gulf General Investment Co.	0.210	-59.22 %	-0.31	67,666,791.66

Source: Securities and Commodities Authority

## Trading Activity by Sector and Company Capitalization

Table No. (17)

Company	Closing Price 2011	Closing Price 2010	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
<b>Banks</b>							
Abu Dhabi Commercial Bank	2.780	2.070	0.710	34.30 %	10,947	1,008,514,146.10	15,555,760,719
Abu Dhabi Islamic Bank	3.160	2.960	0.200	6.76 %	4,780	405,556,584.78	7,472,470,568
Bank Of Ajman	0.800	0.806	-0.006	-0.74 %	5,341	245,715,161.01	800,000,000
Al Salam Bank - Sudan	1.650	1.610	0.040	2.48 %	794	39,352,998.46	0
Amlak Finance Company	1.020	1.020	0.000	0.00 %			1,530,000,000
Bank of Sharjah	1.960	1.840	0.120	6.52 %	1,235	442,752,122.94	4,116,000,000
Commercial Bank of Dubai	2.900	3.460	-0.560	-16.18 %	244	42,459,260.93	5,629,734,031
Commercial Bank International	0.800	1.200	-0.400	-33.33 %	25	922,454.50	1,125,612,602
Dubai Islamic Bank	1.940	2.180	-0.240	-11.01 %	20,911	1,542,750,713.18	7,369,193,790
Emirates Islamic Bank	0.790	0.79	0.000	0.00 %			1,920,033,281
Emirates Investment Bank	863.637	863.637	0.000	0.00 %			426,907,194
Emirates National Bank of Dubai	2.940	2.760	0.180	6.52 %	3,375	408,970,353.50	16,339,857,689
First Gulf Bank	15.450	18.250	-2.800	-15.34 %	12,644	1,602,867,951.18	23,175,000,000
Finance House	3.400	5.455	-2.055	-37.67 %	48	15,407,696.72	1,028,500,000
Gulf Finance House	0.508	0.470	0.038	8.09 %	18,039	652,861,158.17	0
Invest Bank	1.600	1.800	-0.200	-11.11 %	118	188,354,262.07	1,848,000,000
Mashreq Bank	101.500	83.000	18.500	22.29 %	18	1,508,369.20	17,161,312,963
National Bank of Abu Dhabi	10.950	9.792	1.158	11.83 %	6,561	851,307,298.99	31,426,973,817
National Bank of Fujairah	4.550	5.000	-0.450	-9.00 %	80	17,148,811.66	5,005,000,000
National Bank of Umm Al Qaiwain	1.810	2.244	-0.434	-19.36 %	109	11,176,437.52	2,896,000,027
Sharjah Islamic Bank	0.840	0.930	-0.090	-9.68 %	1,060	64,135,283.06	2,037,420,000
RAK Bank	5.000	4.183	0.817	19.52 %	181	44,202,080.04	6,926,634,000
Al Salam Bank - Bahrain	0.390	0.685	-0.295	-43.07 %	748	25,446,744.29	0
Tamweel	0.603	0.990	-0.387	-39.09 %	20,830	1,120,974,494.09	603,000,000
United Arab Bank	3.640	5.430	-1.790	-32.97 %	25	5,123,710.25	3,626,900,659
Union National Bank	2.890	2.855	0.035	1.24 %	6,129	490,151,449.69	7,212,356,250
<b>Total</b>					<b>114,242</b>	<b>9,227,659,542.32</b>	<b>165,232,667,590</b>
<b>Consumer Staples</b>							
Agthia Group	1.720	2.150	-0.430	-20.00 %	2,480	119,527,925.03	1,032,000,000
International Fish Farming Company	3.050	8.000	-4.950	-61.88 %	46	189,163,497.59	259,250,000
Dubai Refreshments	10.400	4.073	6.327	155.32 %	91	31,313,059.40	936,000,000
Emirates Refreshments (Jeema)	6.050	6.050	0.000	0.00 %			181,500,000
Foodco Holding	1.690	3.090	-1.400	-45.31 %	100	4,698,074.35	169,000,000
Gulf LiveStock	6.980	7.270	-0.290	-3.99 %	2	63,500.00	698,000,000
GULFA Mineral Water	2.450	5.600	-3.150	-56.25 %	20	247,666.61	61,250,000
RAK Poultry & Feeding	1.440	1.870	-0.430	-22.99 %	47	831,491.39	124,416,000
United Foods	5.600	6.000	-0.400	-6.67 %	14	2,287,000.00	140,000,000
Kaipara Dairies	330.591	330.591	0.000	0.00 %			100,006,500
<b>Total</b>					<b>2,800</b>	<b>348,132,214.36</b>	<b>3,701,422,500</b>

Continued..



## Trading Activity by Sector and Company Capitalization (Continued...)

Company	Closing Price 2011	Closing Price 2010	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
<b>Energy</b>							
DANA Gas	0.450	0.730	-0.280	-38.36 %	28,812	2,214,623,352.15	2,970,000,000
Abu Dhabi National Energy-TAQA	1.200	1.480	-0.280	-18.92 %	3,786	262,849,713.51	7,470,000,000
<b>Total</b>					<b>32,598</b>	<b>2,477,473,065.66</b>	<b>10,440,000,000</b>
<b>Industry</b>							
ACICO Industries	5.500	5.500	0.000	0.00 %			0
Abu Dhabi Ships Building	1.570	2.670	-1.100	-41.20 %	158	3,937,524.41	332,827,440
Arab Heavy Industries	193.350	193.35	0.000	0.00 %			129,981,278
Arkan Building Material	1.010	1.710	-0.700	-40.94 %	5,331	222,160,151.00	1,767,500,000
AlJazeera Steel	3.220	3.22	0.000	0.00 %			0
Abu Dhabi National Building - BILDCO	0.980	1.780	-0.800	-44.94 %	274	4,340,851.16	294,000,000
Fujairah Building Industries	2.020	3.740	-1.720	-45.99 %	24	3,977,148.57	255,530,000
Fujairah Cement	1.050	3.000	-1.950	-65.00 %	19	441,704.55	373,658,585
Gulf Cement Co	0.710	1.580	-0.870	-55.06 %	374	11,521,136.04	582,978,742
Gulf Pharmaceutical - JULPHAR	2.230	1.870	0.360	19.25 %	459	53,948,759.17	1,590,773,921
National Cement	2.020	3.420	-1.400	-40.94 %	38	1,926,659.21	724,776,000
National Industries Group	21.700	21.700	0.000	0.00 %	1	217,000.00	0
Umm Al Qaiwain Cement	0.540	0.770	-0.230	-29.87 %	116	2,914,506.57	196,020,000
RAK Cement	0.640	0.840	-0.200	-23.81 %	15,483	1,317,476,909.49	309,760,000
RAK Ceramics	1.470	2.427	-0.957	-39.44 %	701	73,582,860.37	1,092,507,613
RAK White Cement	1.600	1.400	0.200	14.29 %	284	42,752,781.80	747,200,000
Sharjah Cement	0.500	0.880	-0.380	-43.18 %	222	11,752,230.35	276,478,976
Union Cement Co	1.100	1.600	-0.500	-31.25 %	261	5,850,419.67	736,381,800
<b>Total</b>					<b>23,745</b>	<b>1,756,800,642.36</b>	<b>9,410,374,355</b>
<b>Insurance</b>							
Al-Ain Ahlia Insurance Co	39.000	47.000	-8.000	-17.02 %	17	4,362,858.00	585,000,000
Al Buhaira National Insurance	8.500	9.000	-0.500	-5.56 %	4	48,041,887.50	2,125,000,000
Abu Dhabi National Insurance	6.000	6.960	-0.960	-13.79 %	68	79,636,413.07	2,250,000,000
Al Fujairah National Insurance	300.000	300.000	0.000	0.00 %			225,000,000
Al Khazna Insurance Co	0.500	0.780	-0.280	-35.90 %	175	8,463,660.58	200,000,000
Alliance Insurance	383.500	383.500	0.000	0.00 %	1	14,860,625.00	383,500,000
Aman Insurance	0.426	0.706	-0.280	-39.66 %	2,921	76,526,777.57	96,169,500
Arab Orient Insurance	88.350	88.350	0.000	0.00 %			331,312,500
Arab Insurance - ARIG	1.900	1.800	0.100	5.56 %	35	1,378,275.31	0
Scandinavian Insurance	2.090	2.850	-0.760	-26.67 %	3	21,389.00	292,600,000
Al Saqr National Insurance	4.550	4.550	0.000	0.00 %			1,046,500,000
Al Whathba Insurance	5.600	6.220	-0.620	-9.97 %	2	28,000.00	672,000,000
Takaful House	0.667	0.935	-0.268	-28.66 %	1,477	36,306,883.75	66,700,000
Al Dharfra Insurance Co	6.500	3.750	2.750	73.33 %	52	13,600,115.30	585,000,000
Dubai Insurance Company	2.610	2.270	0.340	14.98 %	40	19,394,202.19	261,000,000

Continued..

## Trading Activity by Sector and Company Capitalization

Company	Closing Price 2011	Closing Price 2010	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
Dubai National Insurance	2.130	2.200	-0.070	-3.18 %	15	561,406.34	234,300,000
Emirates Insurance Co	6.400	6.510	-0.110	-1.69 %	49	133,257,578.03	864,000,000
Green Crescent Insurance Company	0.380	0.760	-0.380	-50.00 %	4,063	164,530,683.56	95,000,000
Insurance House	0.900	1.15	-0.250	-21.74 %	48	2,174,876.29	108,000,000
Methaq	1.210	2.470	-1.260	-51.01 %	29,379	1,574,335,268.93	181,500,000
National General Insurance	6.700	7.780	-1.080	-13.88 %	3	9,427,139.30	1,004,692,550
Oman Insurance Company	7.810	8.220	-0.410	-4.99 %	3	746,750.40	3,279,292,088
RAK National Insurance	3.850	3.850	0.000	0.00 %	1	63,482.65	385,000,000
Islamic Arabic Insurance	0.569	0.825	-0.256	-30.99 %	6,273	193,011,810.23	688,490,000
Sharjah Insurance	5.250	5.250	0.000	0.00 %			721,875,000
Takaful Emarat	0.599	0.740	-0.141	-19.05 %	7,961	395,974,070.07	89,850,000
Takaful	6.250	2.528	3.722	147.23 %	55	3,813,616.18	567,187,500
United Insurance Company	4.000	4.000	0.000	0.00 %			200,000,000
Union Insurance Company	1.640	2.210	-0.570	-25.79 %	33	37,785,613.21	542,740,255
National Takaful	0.630	1.000	-0.370	-37.00 %	181	3,283,255.96	94,500,000
<b>Total</b>					<b>52,859</b>	<b>2,821,586,638.41</b>	<b>18,176,209,393</b>
<b>Investment &amp; Fin. Services</b>							
Al Madina For Finance	0.451	0.605	-0.154	-25.45 %	4,021	115,499,374.82	0
Dubai Financial Market	0.840	1.510	-0.670	-44.37 %	35,620	2,508,604,109.76	6,720,000,000
Dubai Investment	0.605	0.780	-0.175	-22.44 %	8,385	375,072,709.37	2,217,189,117
Ektitab Holding	0.270	0.448	-0.178	-39.73 %	8,016	221,641,652.11	0
Gulf General Investment Co.	0.210	0.515	-0.305	-59.22 %	2,799	67,666,791.66	376,180,000
Global Investment	0.615	0.702	-0.087	-12.39 %	337	6,172,274.42	0
Gulf Petroleum Investment*	6.500	6.500	0.000	0.00 %			0
Financial Advisors	0.867	1.020	-0.153	-15.00 %	17	185,994.60	0
International Investment Group	4.000	4.000	0.000	0.00 %			0
National International Holding	3.400	3.400	0.000	0.00 %			0
Oman & Emirates Investment Holding	0.700	1.000	-0.300	-30.00 %	47	599,358.18	0
Oasis Capital	0.490	0.676	-0.186	-27.49 %	4,481	285,480,023.98	929,572,875
SHUAA Capital	0.550	1.250	-0.700	-56.00 %	2,677	101,343,182.78	585,750,000
<b>Total</b>					<b>66,400</b>	<b>3,682,265,471.68</b>	<b>10,828,691,992</b>
<b>Real Estate</b>							
AL Dar Properties	0.920	2.280	-1.360	-59.65 %	69,448	5,627,433,860.63	3,758,318,768
Arabtec Holding Company	1.590	1.576	0.014	0.89 %	67,260	5,753,053,329.97	2,377,050,000
Dubai Development	2.240	2.240	0.000	0.00 %			22,400,000
Deyaar Development	0.213	0.294	-0.081	-27.55 %	11,219	404,572,901.18	1,230,714,000
Drake & Scull	0.788	1.040	-0.252	-24.23 %	27,154	2,126,833,876.72	1,716,088,889
Emaar Properties	2.570	3.550	-0.980	-27.61 %	80,743	9,061,678,695.92	15,667,562,960
Eshraq Properties	0.230	0.25	-0.020	-8.00 %	827	23,391,201.77	345,000,000
Grand Real Estate Projects*	1.370	1.700	-0.330	-19.41 %	4	321.5	0
Al Mazaya Holding	2.520	3.100	-0.580	-18.71 %	2	2,655.00	0

Continued..



## Trading Activity by Sector and Company Capitalization

Company	Closing Price 2011	Closing Price 2010	Annual Change (AED)	% of Annual Change	No. of Trades	Value of Annual Trading	Market Cap.
National Real Estate*	6.300	6.300	0.000	0.00 %			0
RAK Properties	0.290	0.440	-0.150	-34.09 %	7,018	395,503,924.24	580,000,000
Sorouh Real Estate	0.850	1.630	-0.780	-47.85 %	32,464	2,247,359,409.74	2,231,250,000
Union Properties	0.258	0.365	-0.107	-29.32 %	12,654	400,101,613.98	868,648,973
<b>Total</b>					<b>308,793</b>	<b>26,039,931,790.65</b>	<b>28,797,033,590</b>
<b>Services</b>							
Abu Dhabi Aviation Co	3.210	2.850	0.360	12.63 %	549	110,126,370.59	1,297,969,920
Abu Dhabi National Hotels	2.200	3.000	-0.800	-26.67 %	469	97,196,707.90	2,200,000,000
Al Firdous Holding	0.700	1.040	-0.340	-32.69 %	193	2,172,257.92	420,000,000
Emirates Driving Company	3.450	4.100	-0.650	-15.85 %	36	1,610,406.40	309,763,080
Fujairah Trade Center	1.000	1.000	0.000	0.00 %			
Gulf Medical	1.990	1.950	0.040	2.05 %	82	2,766,683.82	1,201,462,500
National Corporation of Tourism	4.800	4.413	0.387	8.76 %	26	48,281,082.03	792,000,000
National Marine Dredging Co	9.160	10.500	-1.340	-12.76 %	376	170,140,858.05	2,087,092,278
Commercial Markets Complex	5.780	5.780	0.000	0.00 %			0
TABREED	0.496	1.670	-1.174	-70.30 %	13,271	700,190,651.98	120,716,480
<b>Total</b>					<b>15,002</b>	<b>1,132,485,018.68</b>	<b>8,429,004,258</b>
<b>Telecommunication</b>							
Integrated Telecom -du	2.890	2.860	0.030	1.05 %	18,196	1,597,002,888.49	13,211,428,570
Emirates Telecom - ETISALAT	9.130	10.800	-1.670	-15.46 %	29,790	3,911,539,156.65	72,183,058,200
Hits Telecom Holding	0.687	1.090	-0.403	-36.97 %	15,823	684,680,121.49	0
Qatar Telecom - QTEL	159.500	176.000	-16.500	-9.38 %	96	28,315,108.10	0
Sudan Telecom - SUDATEL	1.030	2.100	-1.070	-50.95 %	526	12,382,058.93	0
<b>Total</b>					<b>64,431</b>	<b>6,233,919,333.66</b>	<b>85,394,486,770</b>
<b>Transportation</b>							
Agility	17.600	17.600	0.000	0.00 %			0
Air Arabia	0.586	0.819	-0.233	-28.45 %	29,960	1,760,067,597.19	2,734,686,200
ARAMEX	1.800	2.080	-0.280	-13.46 %	11,614	1,197,790,863.91	2,635,380,000
Gulf Navigation Holding	0.215	0.423	-0.208	-49.17 %	5,653	141,081,947.47	355,825,000
<b>Total</b>					<b>47,227</b>	<b>3,098,940,408.57</b>	<b>5,725,891,200</b>
<b>Grand Total</b>					<b>728,097</b>	<b>56,819,194,126.37</b>	<b>346,135,781,649</b>

Source: Securities and Commodities Authority

Note: \* Delisted during the year

The table below displays the performance of the UAE securities markets and those of some international and Gulf markets in 2011.

- The table shows that ADX index performed well to place at third among the Gulf markets after Qatar and Saudi Arabia. The ADX index slipped by -13% while the DFM index also slipped by -17.4%
- Similarly, the performance of international markets were not positive as the indices of all those markets suffered in 2011 as a result of the Economic crisis in Europe.

Chart No. (11)

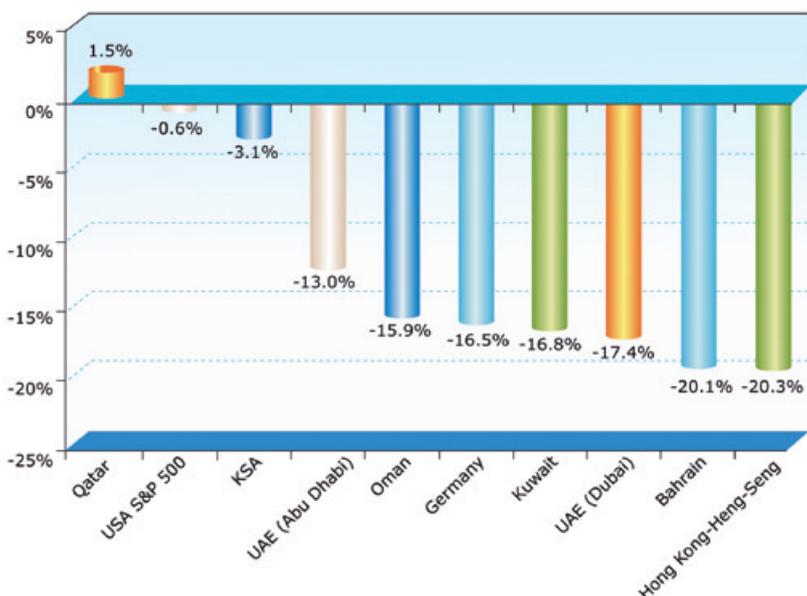


Table No. (18)

Country	Performance Indicator
Qatar	1.5%
USA - S&P 500	-0.6%
Saudi Arabia	-3.1%
UAE (ADX)	-13.0%
Oman	-15.9%
Germany	-16.5%
Kuwait	-16.8%
UAE (DFM)	-17.4%
Bahrain	-20.1%
Hong Kong – Heng Seng	-20.3%

Source: GCC stock markets/ bloomberg websites

### Comparing the daily rates of change in the volume of trading

Table No. (19) shows the rates of change in the volume of trading on some Gulf and international markets from 2007 to 2011.

Table No. (19)

Market	% of change between 2007 - 2008	% of change between 2008 - 2009	% of change between 2009 - 2010	% of change between 2010 - 2011
Saudi Arabia (Riyal)	-58.10%	-50.80%	50.10%	45.30%
UAE (Dirham)	-52.50%	-21.90%	-57.70%	-44.80%
Kuwait (Dinar)	-20.10%	-57.90%	-12.60%	-51.40%
Qatar (Riyal)	11.50%	-76.40%	138.00%	14.30%
USA (Dow Jones)	-20.10%	-22.70%	-24.70%	-7.40%

Source: GCC stock markets/ bloomberg websites

- In 2008, the negative impact of the global financial crisis on securities markets was very great. This negatively affected the attraction of investors to the markets in all countries of the world, particularly the Gulf markets, pushing down significantly the volume of trade on those markets.
- The average daily trading volume of local indices varied, with the Qatari and Saudi market indices achieving positive rates of appreciation, while the market indices of UAE, Kuwait and the United States continue to suffer for the fourth consecutive year since 2007.



## Commodities Markets

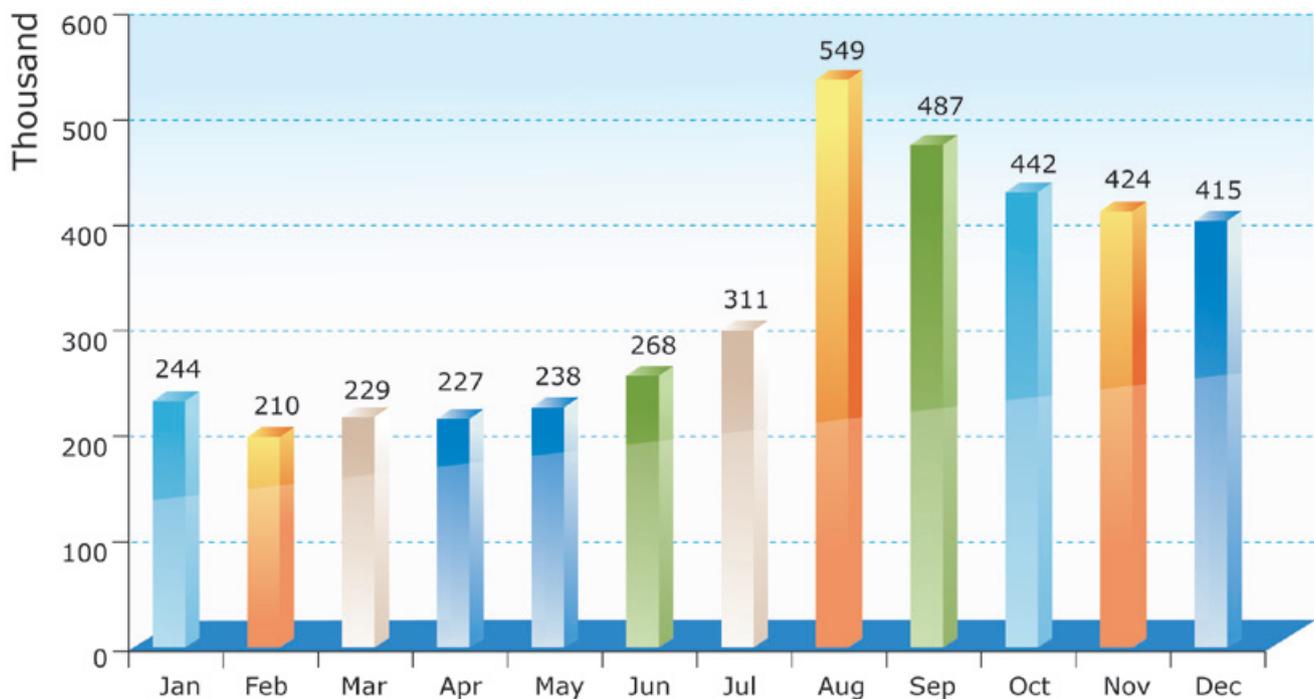
The Securities and Commodities Authority (SCA) has an oversight responsibility over the Dubai Gold and Commodities Exchange (DGCX) under the power vested in the SCA to supervise and monitor the securities and commodities markets in the UAE. A Memorandum of Understanding was signed in 2006 between the SCA and the DGCX with the aim of promoting standards and levels of disclosure and transparency underlying transactions with the ultimate objectives of protecting the interest of investors.

DGCX is first electronic state-of-the-art commodities market for the trading of commodity based derivatives in the Middle East.

Pursuant to SCA Decision No. 157 of 2005, the DGCX was established and SCA granted it a license to start operations on November 15th of the same year. The SCA had previously reviewed DGCX' internal by-laws and regulations. The first exchange transaction in DGCX took place on November 22 of the same year.

Following are the most significant achievements recorded on the UAE Commodities Market in 2011.

**Chart No. (12)**  
**Monthly Traded Contracts - 2011**



## Commodities Market Achievements in 2011

- On the basis of demand from the commodities brokers and the market study on trading of similar contracts conducted by DGCX, SCA granted in-principle approval to the listing of a cash settled futures contract based on Copper, in November, 2011.
- On the basis of the exceptional interest from commodities traders for trading in commodities contracts listed on DGCX, SCA granted 4 new licenses to act as brokers of DGCX.
- In order to provide greater trading opportunities and enable investors to hedge their positions, SCA granted approval for listing of Options on the Dubai INR (Indian Rupee vs. US \$ ) currency futures contract. The said options were listed on DGCX and started trading from September 26, 2011.
- In the Dubai Gold and Dubai Silver futures contracts listed on DGCX, a provision was created to match the intention to deliver the commodity, for clients who maintain open positions during the last trading days before the expiry of the futures contract. This was done with the aim to remove the possibility of a buyer or seller of a futures contract being forced to receive or give delivery in spite of not wanting to do it. Appropriate by-law changes were done to DGCX By-Laws in order to implement this provision.
- SCA approved the appropriate changes to the By-Laws of DGCX which would change the last trading day of the Dubai INR options contract to match the last trading day of similar contract listed on the Indian Exchanges. This would allow better opportunities for arbitrage to traders.

## Market Performance

- Trading volumes increased by 110% in 2011 to 4,044,138 contracts from 1,925,463 contracts in 2010. Currency futures was the best performing segment among all futures contracts listed on DGCX.
- Dubai INR (Indian Rupee vs. US \$) futures contract recorded a trading volume of 3,184,979 contracts which is an increase of 563 % over its trading volumes in 2010. Moreover, the Dubai INR futures contract comprised 78.8 % of the total trading volumes on DGCX during 2011.
- Gold recorded a highest ever price of US\$ 1922.0 per ounce in the near month Dubai Gold futures contract during this year. This was the lifetime high gold price.

**Chart No. (13)**  
**Monthly value of traded commodities - 2011**

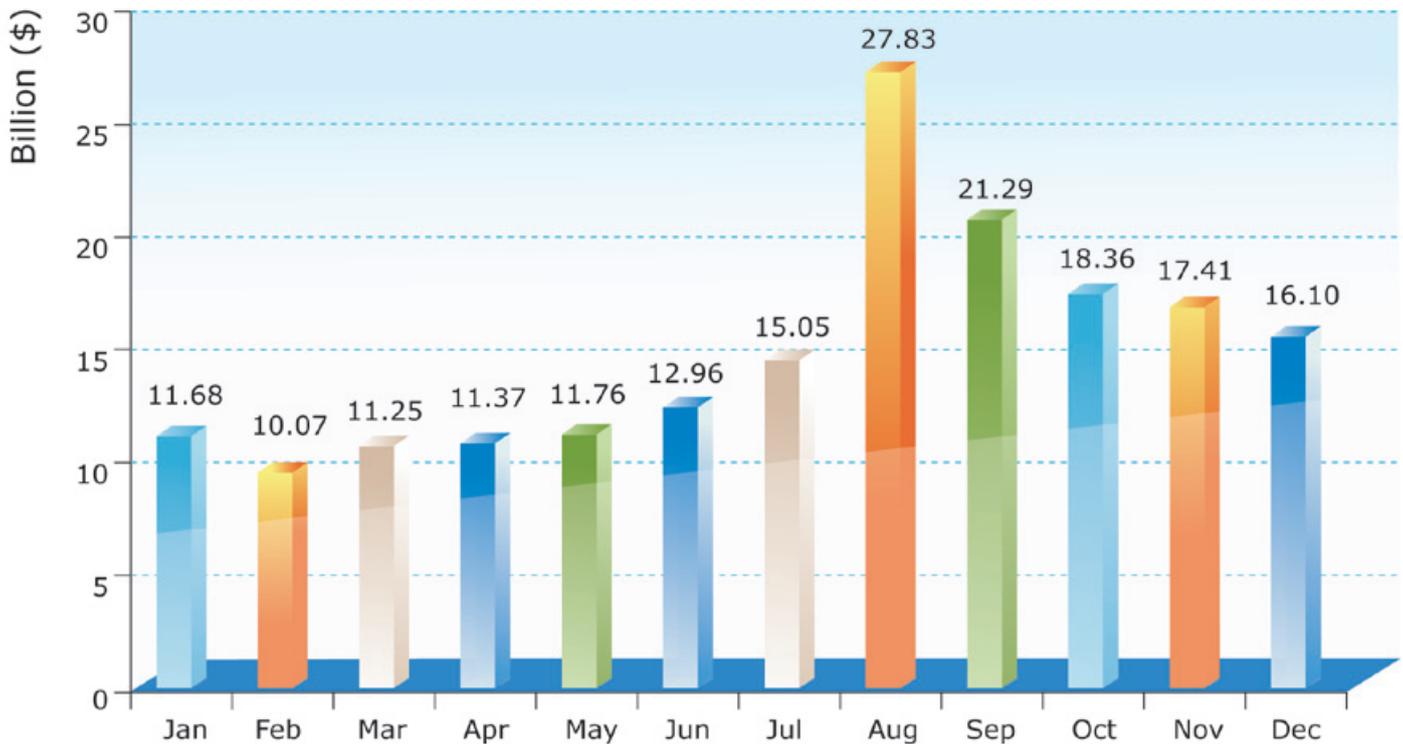


Table No. (20)

Number and value of contracts traded annually (Since inception)

Year	Value (US\$ Billion)	Number of contracts	% of change in contracts
2005 - 06	15.46	617,898	
2007	34.68	907,469	47%
2008	57.43	1,142,493	26%
2009	78.71	1,503,905	32%
2010	104.18	1,925,463	28%
2011	185.13	4,044,138	110%

Source: DGCX

Chart No. (14)

Number and value of contracts traded annually

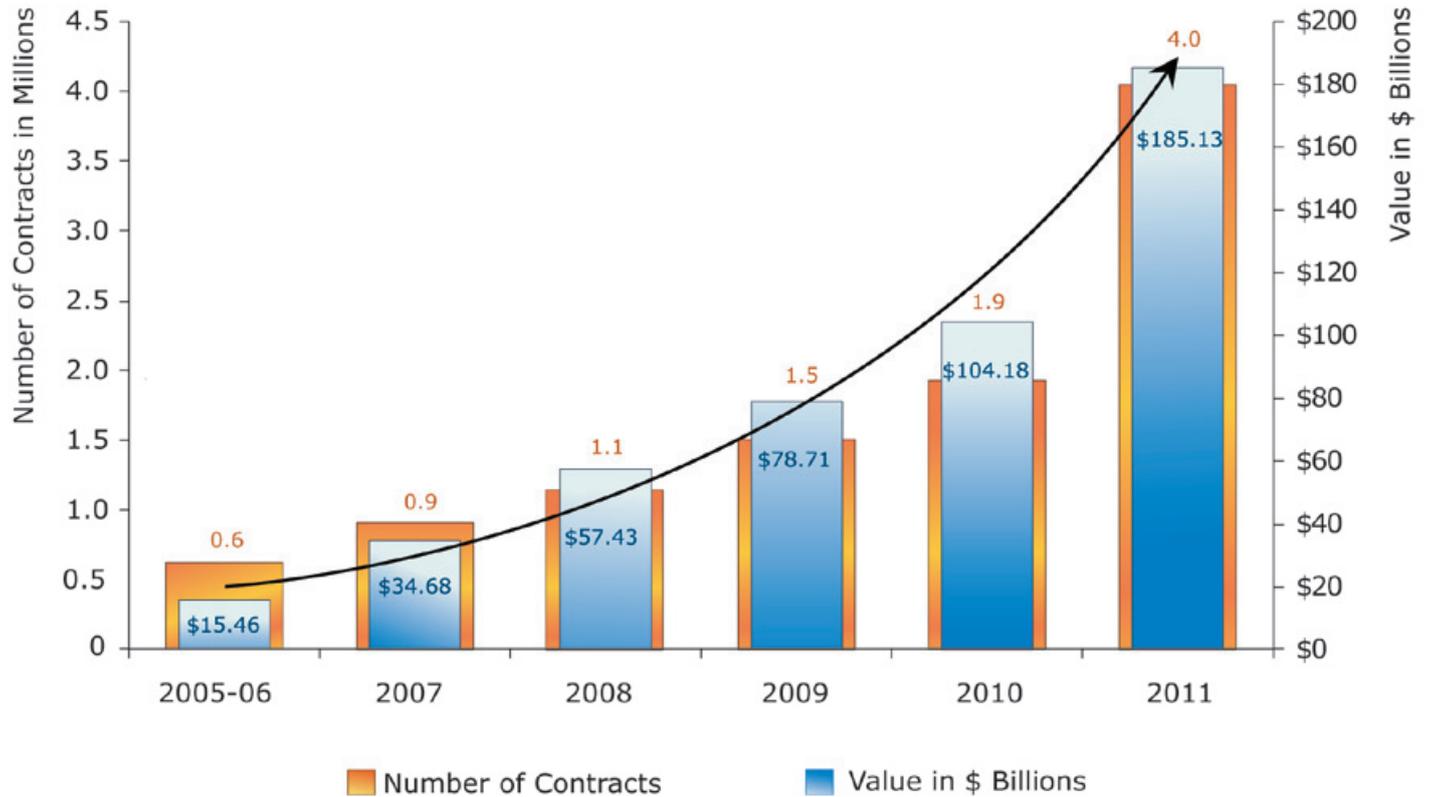


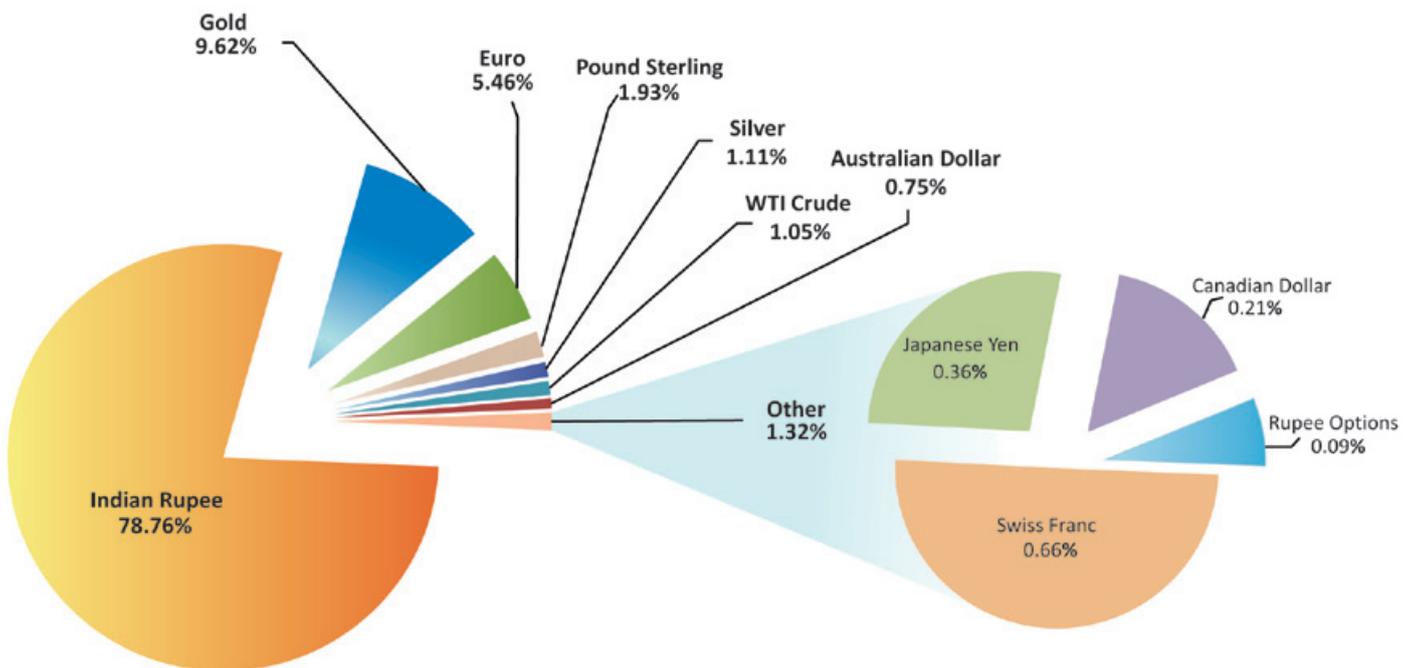
Table No. (21)

## Total traded contracts for the listed commodities – 2011 vs 2010

Commodities	Total Volume in 2011	Total Volume in 2010	% of change
Indian Rupee	3,184,979	480,725	562.5%
Gold	389,019	490,175	-20.6%
Euro	220,916	473,771	-53.4%
Pound Sterling	77,927	205,548	-62.1%
Silver	44,870	32,102	39.8%
Silver	42,640	115,777	-63.2%
Australian Dollar	30,406	14,064	116.2%
Swiss Franc	26,785	14,644	82.9%
Japanese Yen	14,570	82,922	-82.4%
Canadian Dollar	8,326	15,735	-47.1%
Rupee Options	3,700	-	na
Gold Options	-	-	-
Fuel Oil	-	-	-
Steel	-	-	-
Brent Crude	-	-	-
<b>Total</b>	<b>4,044,138</b>	<b>1,925,463</b>	<b>110%</b>

Source: DGCX

Chart No. (15)



## Your window to:

- ▶ Latest news and developments on the Emirates Securities Market (ESM).
- ▶ Statistics and statements of listed companies and brokerage firms.
- ▶ SCA Index, "SHARE" website and awareness programs.
- ▶ Updated financial decrees and regulations.



Browse the SCA portal:  
[www.sca.gov.ae](http://www.sca.gov.ae)

SCA websites on social network forums:

[http://twitter.com/#!/sca\\_uae](http://twitter.com/#!/sca_uae)

<http://www.youtube.com/user/scauae>

<http://www.facebook.com/sca.uae>

ESM website on the Facebook:

<http://www.facebook.com/EmiratesMarket>