

## **The National - Saudi stocks decline sharply as rebels in Yemen advance**

**By John Everington March 25, 2015**

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Saudi Arabian stocks fell sharply on Wednesday, amid deepening fears that the country may be sucked into the conflict in neighbouring Yemen.

The kingdom's benchmark Tadawul All Share Index suffered its worst day in more than three months, falling 4.96 per cent to 8,868.12.

Yemen's president Abdrabu Mansur Hadi fled his base in the southern port of Aden for an undisclosed location, following the arrest of the country's defence minister in the city of Lahj, Reuters reported.

Shares in Knowledge Economic City, one of six planned economic cities in the kingdom, were among the hardest hit on the day, ending down 9.9 per cent at 24.65 Saudi riyals.

Saudi Arabian troops and heavy artillery were reported to have moved into areas close to the country's border with Yemen.

"Of course there's pressure in Saudi because of developments in Yemen," said Muhammad Shabbir, the head of equity funds and portfolios at Rasmala Investment Bank in Dubai. "How much further it will go down is in an open call," he said.

"This may be just the start, but Saudi has the backing of the international community, and they've intervened in Yemen before, so it's impact on markets may be minimal."

All of the GCC's stock markets ended in the red, with the exception of the Bahrain Bourse All Share index, which ended up 0.3 per cent.

In the UAE, the Dubai Financial Market General Index fell 2.23 per cent to 3,434.65, erasing the gains of the previous two days.

Shares in Arabtec Holding were hit hardest in Dubai, retreating 4.96 per cent to Dh2.30.

Deyaar Development and National Cooling (Tabreed) also finished down about 4.5 per cents a piece.

In the capital, the Abu Dhabi Securities Exchange General Index fell 0.43 per cent to 4,371.68, with energy stocks the main loss leaders.

Waha Capital was among the biggest winners of the day, rising 3.3 per cent to Dh2.82, on news that its board had approved a dividend of 30 per cent for 2014.

Taqa shares fell 6.25 per cent to 75 fils, while shares in Dana Gas ended down 4.76 per cent at 40

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files.

“We may see a lot more of this red colour in the UAE for the next four to five weeks,” said Mr Shabir.

“It’ll be a few weeks before first quarter earnings start to appear, and in the meantime there are very few catalysts holding things up.