

MSCI Quarterly Index Review Report

Saudi Stock Market | Special Report | November 2026 —



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MSCI Index Review: Ahead of MSCI's scheduled index review on November 11, 2026, we anticipate no new additions to the MSCI EM Standard Index. **Makkah Construction and Development Co.** is a leading exclusion candidate (high probability, with a likely migration to the Small Cap Index), while **ADES Holding Co.** carries a low removal risk. Within the Small Cap Index, we forecast: **United International Holding (Tasheel)**, **Alsaif Gallery**, and **Arabian Contracting Services (Al Arabia)** carry very high exclusion probabilities, accompanied by a high probability of deletion for **Middle East Healthcare**.

- **MSCI EM Standard Index may see 1-2 exclusions; no inclusions expected:** **Makkah Construction and Development Co.** with market capitalization below estimated thresholds (as per closing prices of October 20, 2026) is a top contender for exclusion from the standard index. We also flag low chance of exclusion for **ADES Holding Co.** Although we do not expect any addition to the Standard Index in upcoming review, we note that there is a slight possibility of **Petro Rabigh** being included after its exclusion from Small Cap Index in the previous rebalancing.
- The potential shifts in the upcoming November review may trigger passive outflows, with final changes expected to be effective December 01, 2026.

Fig 1. MSCI EM Standard Index (Exclusion contenders)

Company	Sector	Market capitalization*	Reason for inclusion/exclusion	Estimated Index weight	Passive outflows
Makkah Construction	Real Estate	USD 3.8bn	Below Mcap limit	0.01%~	USD100 - 200mn~
ADES Holding	Energy	USD 4.8bn	Below FF-Mcap limit	0.01%~	USD100 - 200mn~

Source: Bloomberg, Aljazeera Capital research, * As of October 20, 2026

- **Expected foreign fund outflows:** Exclusion of Makkah Construction and Development Co. and ADES Holding Co. could trigger passive outflows of roughly **USD 100-200mn each**, given their current weights within the index.

Fig 2. MSCI EM Small Cap Index (Exclusion contenders)

Company	Sector	Market capitalization*	Reason for inclusion/exclusion
Tasheel	Financials	USD 440mn	Below Mcap and FF-Mcap limit
Al Arabia	Media and Entertainment	USD 560mn	Below Mcap and FF-Mcap limit
Alsaif Gallery	Consumer Discretionary	USD 560mn	Below Mcap and FF-Mcap limit
Middle East Healthcare	Health Care	USD 619mn~	Below Mcap and FF-Mcap limit

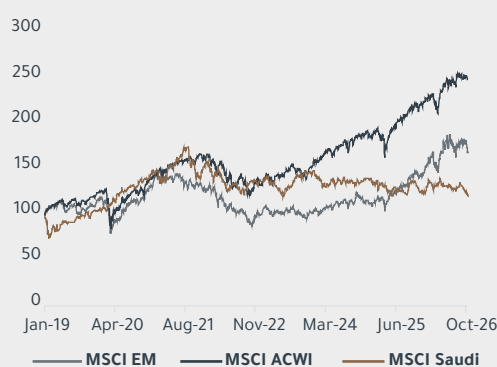
Source: Aljazeera Capital Research

- **Small Cap Index - Four names at risk of exclusion (3 very high risk, 1 high risk):** We anticipate a potential deletion of several Saudi names from MSCI EM Small Cap Index. **United International Holding (Tasheel)**, **Alsaif Gallery**, and **Arabian Contracting Services (Al Arabia)** with market capitalization below estimated threshold and free-float adjusted market capitalization well below cut-off indicate very high chance of deletion. Moreover, we assign high risk for **Middle East Healthcare**, which has both market capitalization and free-float adjusted market capitalization below cut-off levels.

MSCI Index review November 11, 2026		
Index	High conviction	Low conviction
Standard Index	1 exclusion	1 exclusion/ 1 inclusion
Small Cap Index	4 exclusions	-

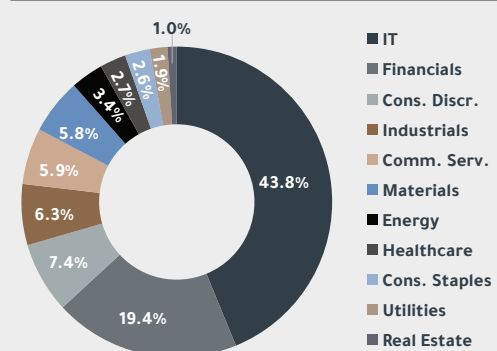
Source: MSCI, Aljazeera Capital Research

MSCI EM vs MSCI ACWI vs MSCI Saudi



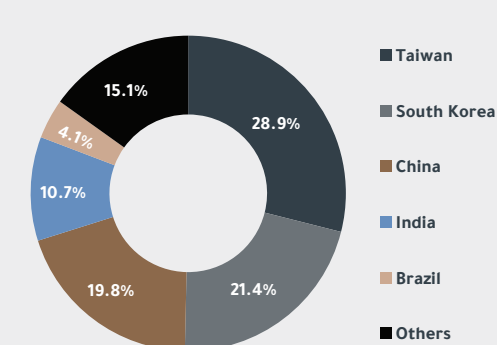
Source: MSCI, Aljazeera Capital Research

MSCI EM sector weights



Source: MSCI, Aljazeera Capital research, as of September 30, 2026

MSCI EM country weights

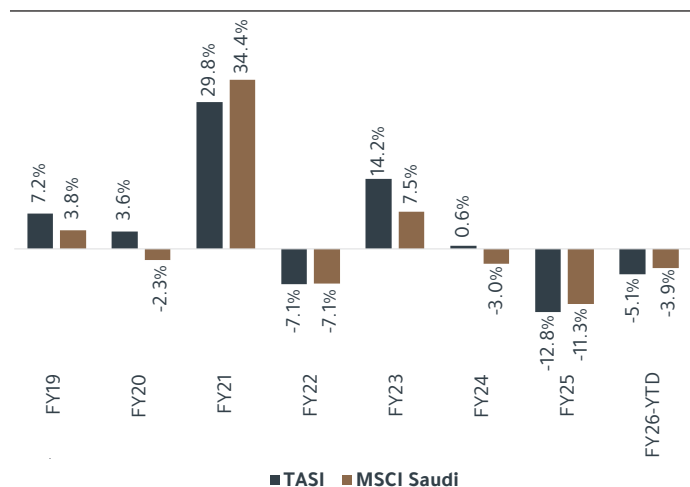


Source: MSCI, Aljazeera Capital research, as of September 30, 2026

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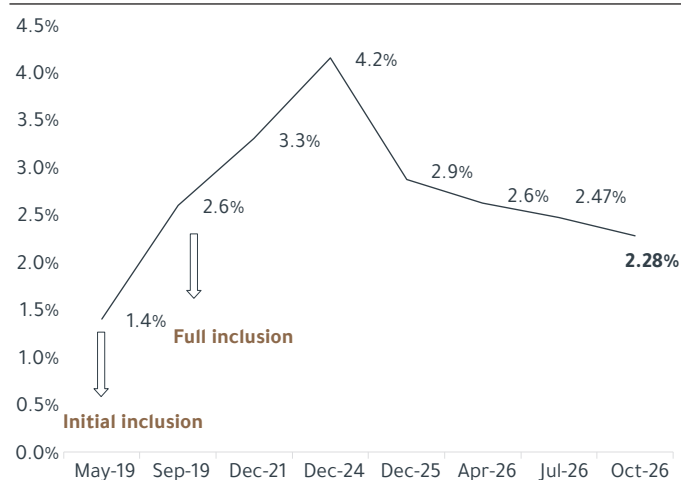
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TASI vs. MSCI Saudi returns



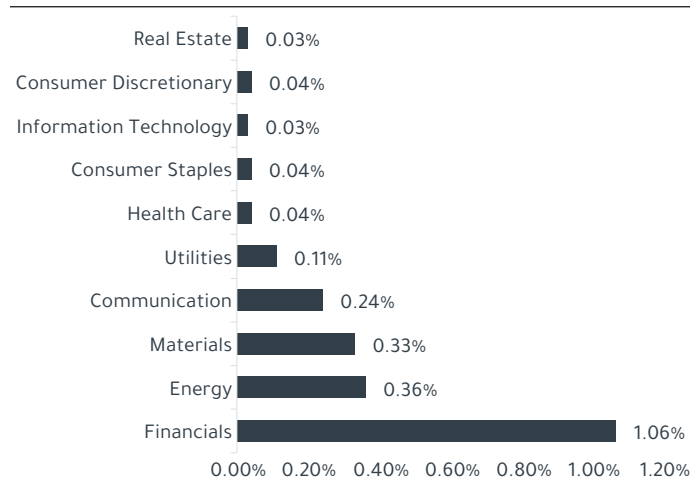
Source: MSCI, Tadawul, Aljazira Capital Research

KSA weight* evolution in MSCI EM Index



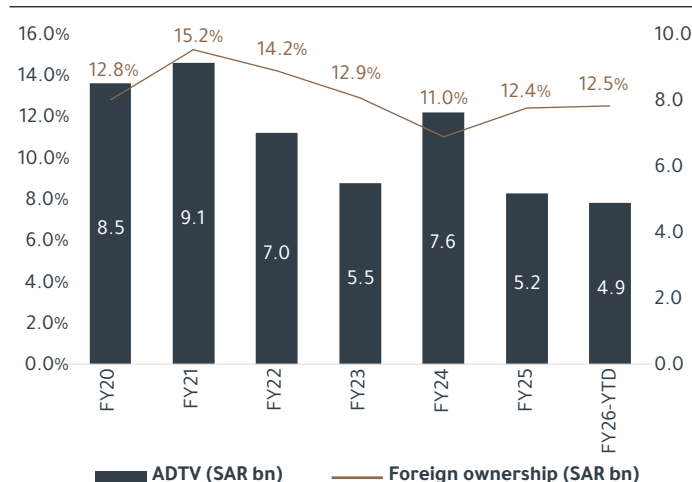
Source: Aljazira Capital Research, *latest weights based on iShares MSCI EM ETF

KSA sectoral diversification in MSCI EM



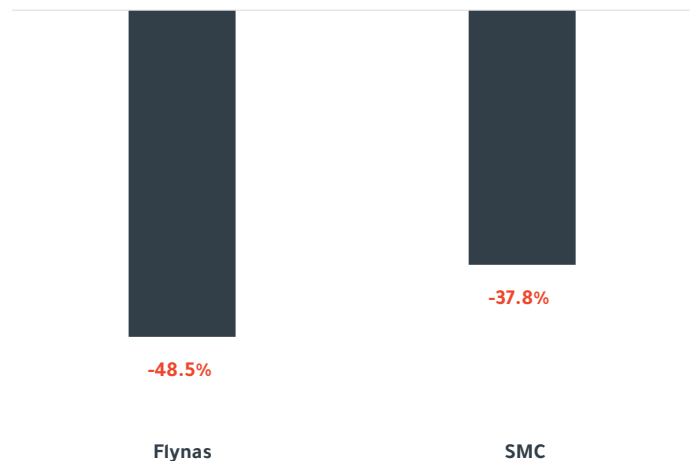
Source: Tadawul, Aljazira Capital Research, as of September 30, 2026

Foreign ownership (% of free float) and ADTV in Saudi markets



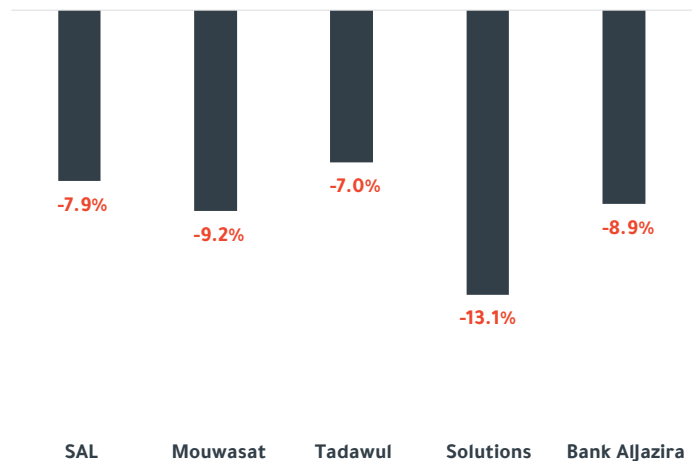
Source: Tadawul, Aljazira Capital Research, as of September 30, 2026

Performance since last review* - Inclusions



Source: Tadawul, Aljazira Capital Research; *since November 2025 review, as there was no inclusion in February, May and August 2026 reviews

Performance since last review - Exclusions



Source: Tadawul, Aljazira Capital Research

RESEARCH DIVISION

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RESEARCH
DIVISION

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TERMINOLOGY

1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. Neutral: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. Suspension of rating or rating on hold (SR/RH): This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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