

THE IMPACT OF VIOLENT ATTACKS ON THE KINGDOM OF SAUDI ARABIA (KSA); A CASE STUDY ABOUT THE IMPACT OF VIOLENCE ON TADAWUL STOCK MARKETS

Ibrahim A. AL-Ghamdi ^a

Prof. Yoser Gadhoom ^b

^{ab} Prince Mohammad Bin Fahd University, Alkhobar, Saudi Arabia

Corresponding email: ibrpmu@hotmail.com

Abstract

Terrorism has a major impact on the world's economy and financial markets. Some could influence the economy worldwide, such as September 11, 2001, while some affect their surrounded boundaries. This research paper will study and analyze the impact of 3 terrorist attacks which occurred on Kingdom of Saudi Arabia (KSA) and the impacts that affected the KSA markets. Moreover, this research will consider Kuwait stock markets as well, to take it as a validation factor which can show the examination and the correlations between the two markets and would show the scale of significance. Below is the list of selected terrorist attacks were occurred on KSA and their dates:

1. Al-Dalwah Attack in Al-Ahsa – Saudi Arabia – Monday, November 3, 2014
2. Bombing a mosque in Qatif – Saudi Arabia – Friday, May 22, 2015
3. Bombing in Kuwait - Friday - June 26, 2015
4. Bombing a mosque in Abha – Saudi Arabia – Thursday, August 6, 2015

The analysis showed that there are some contradictions between the two markets. Saudi market experienced the lowest impact from the events, because of the stability of the market, since the greatest portion of the market is owned by the government. On the other hand, the Kuwaiti market was more greatly affected by the selected events, at nearly 100%. This is due to its small size and the traders' behavior.

Keywords: Terrorism, Kingdom of Saudi Arabia, Financial Markets, Kuwait
