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Does The Mutual Funds in Oman Outperform Muscat Stock Exchange?

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ABSTRACT

Mutual funds are considered important vehicle of mobilization of household savings for investment in the capital market. This study investigates the performance of mutual funds in Omani market (MSX). Using data from 2010 to 2023, the results show that the performance of mutual funds in Oman is not performing well compared to other markets. More Specifically, we show that the Muscat Stock Market index outperform the mutual funds. We have further investigated the reasons behind this finding. We find an evidence that most of mutual funds in Oman invest abroad. The majority of their investment in Saudi Arabia and UAE, where few proportion of their investments are kept in Omani market. These findings suggest that investors in mutual funds in Oman should not consider the performance of MSX as an indicator. Nevertheless, traders should rely more on the performance of GCC indexes to make informative decisions.

Keywords: Mutual Funds, Oman, Stock Market