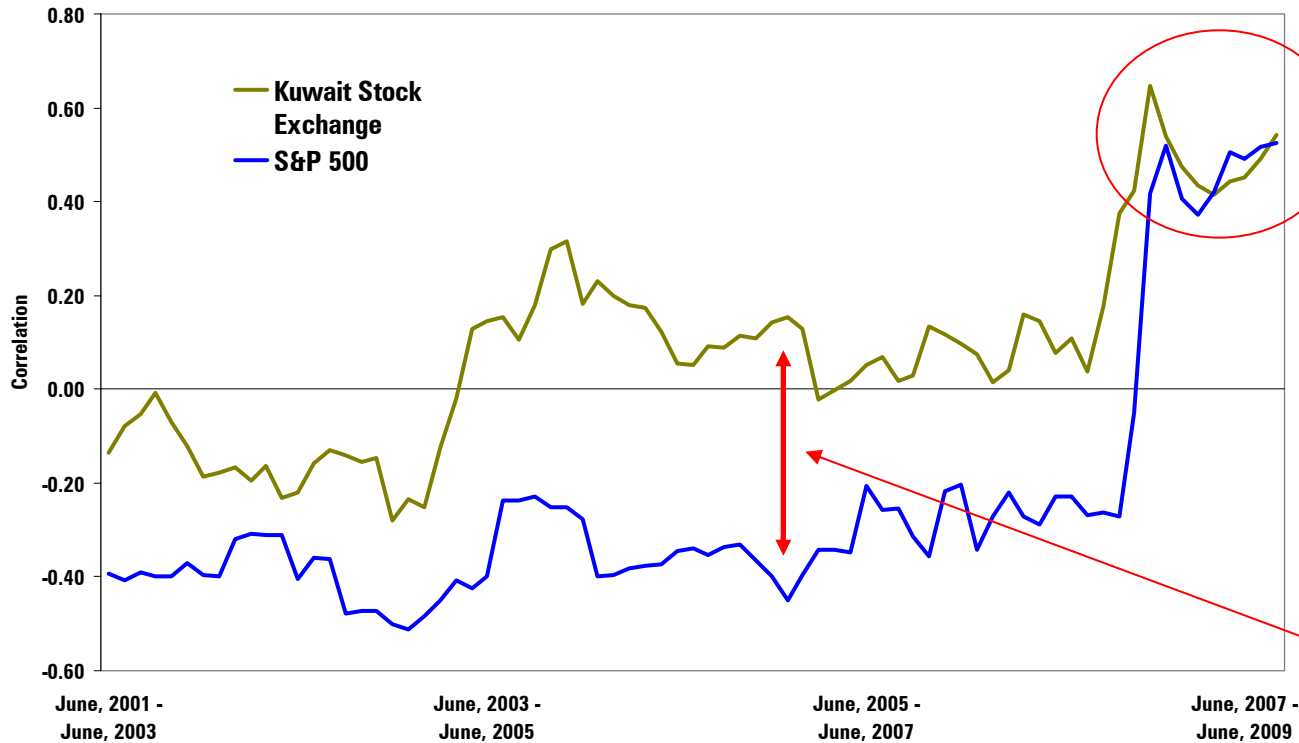


Oil as a Global Portfolio Diversifier Part II: Kuwait Exchange: Evidence of Global Systemic Risk

2 - Year Stock Market Correlation to Oil Price



Investors focus on diversification of asset classes to reduce portfolio risk, but as factors of economic production and investment become increasingly more globalized, it is important not to base assumptions of portfolio risk on country-specific risk.

The Kuwait Stock Exchange has traditionally been more closely aligned with movements in the price of oil.