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**The impact of the investments of the financial portfolio
on the development of financial markets in Saudi Arabia
and the UAE for the period
(2005-2014)**

Thesis submitted by the student

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Abstract

It is clear from this study that the most important factor in defining the concept of international capital flows is the reason for these flows. The flow of these flows is between two parties (states, natural or legal persons), and states are competing for them to benefit from solving the problems facing their economy, Such as balance-of-payments deficits, etc., and that this transition creates strong relations between countries, making it necessary to adopt their own policies. The study focused mainly on investment in the portfolio, one form of international capital flows (indirect foreign investments) , And references The simple history of investment in the portfolio was found to belong to Markowitz's economic philosophy, which was the theory of the portfolio and laid its foundation, and then developed and became managers specialized in managing the portfolio of securities, so there have been many successes of these managers during their management of the portfolio, Some of the non-specialists, including the management of the financial portfolio, tend to trend towards a risk analysis and a method aimed at reducing it by combining the various investments it contains, so that the

portfolio contains the lowest degree of risk, And the development of financial markets because of their impact in these markets, and we observed this through the reality of the financial markets of the two countries selected through financial indicators (number of companies, market value, general index, volume of trading), and through the data of these indicators during the study period, Some of which have evolved and some of the other financial indicators fluctuated. However, we found a greater development in the UAE financial market than the Saudi financial market, and this indicates that there is more development, growth and efficiency than the Saudi financial market.