"More Humongous Dividends, and a visit to Al-Mutanabbi Street"

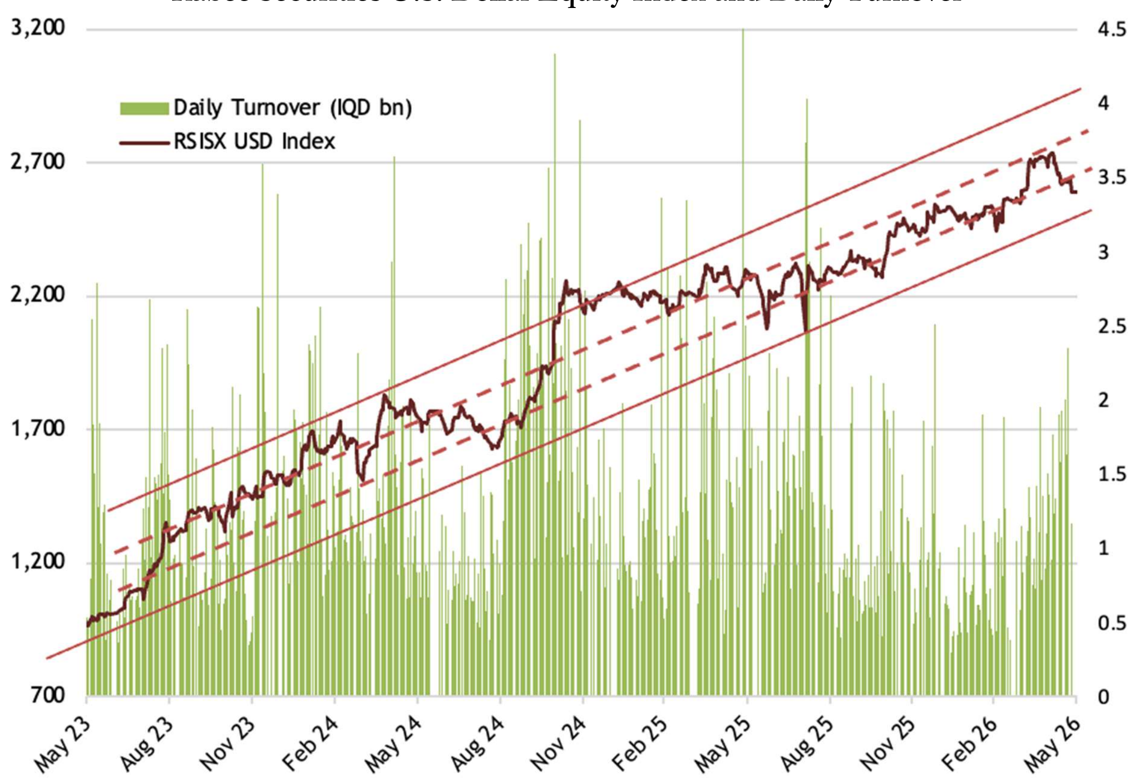
Ahmed Tabaqchali, June 3rd, 2026

The market, as measured by the Rabee Securities U.S. Dollar Equity Index (RSISX USD Index), was down 4.9% for May, and up 3.1% for the year. However, there is more to the index's 4.9% decline than meets the eye due to the nature of the index's market value-weighted calculation that incorporates stock dividends, but not cash dividends, that negatively affected the index's monthly performance, much as it did the prior May. The culprits were two huge cash dividend announcements during the month of 12.1% and 8.7% by two of its ten components, the Bank of Baghdad (BBOB) and Asiacell Communications (TASC), respectively, with a 17.7% and 19.1% index weighting at the end of April. If these two cash dividends were incorporated in the index's calculations, then it would have been down 1.1% for the month and not down 4.9%.

These, as discussed last month, come on the heels of two similarly oversized dividends. The first, in March, was Mansour Bank (BMNS)'s combination of a cash dividend amounting to a 4.7% dividend yield and a 31.5% share dividend, for an effective dividend yield of 19.5%. The second, in April, by the National Bank of Iraq (BNOI)'s combination of a cash dividend amounting to a 4.9% dividend yield and a 25.0% share dividend, for an effective dividend yield of 9.5%. These four dividends promise a repeat of last year's humongous dividends by the top companies in the market, particularly Baghdad Soft Drinks (IBSD), which last year paid out a cash dividend equivalent to a 7.5% dividend yield.

The market's month-on-month increase in trading volumes – as measured by the average daily traded value – built upon that of the prior three months, with increases of 26.5% in February, 22.1% in March, 27.2% in April, and 25.0% in May (trading volumes adjusted for block-trades). From a technical analysis perspective, the market's action continues to be that of consolidating its three-year gains, and that a continued consolidation or a pull-back should be within its multi-month uptrend (chart below).

Rabee Securities U.S. Dollar Equity Index and Daily Turnover

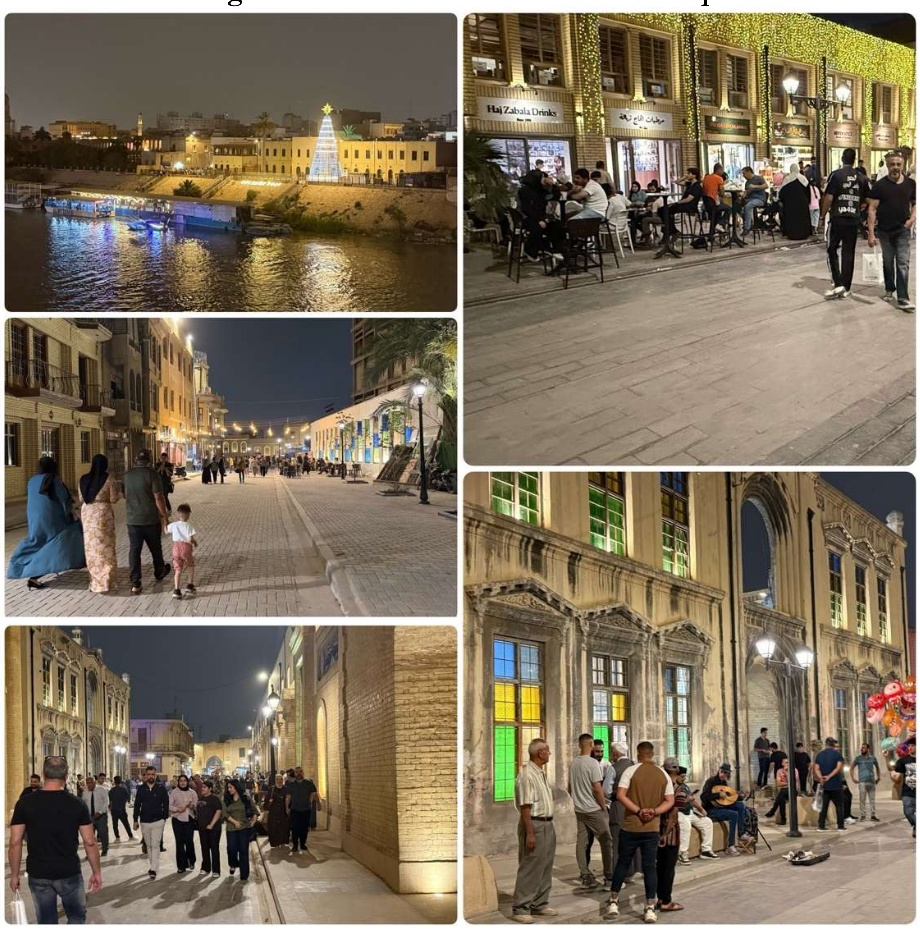


(*Source: Iraq Stock Exchange, Rabee Securities, AFC Research, daily data as of May 31st.*
Note: daily turnover adjusted for block trades)

The icing on the cake continues to be the unusually mild weather this time of the year, which allowed for more pleasant walkabouts in Baghdad, the city that is full of life, as experienced on a night visit to "Al-Mutanabbi Street" – Baghdad's intellectual, literary, and cultural heart. The street, named after the legendary Abbāsid-era poet Al-Mutanabbi (915-965 A.D.), is jam-packed with traditional booksellers displaying all kinds of books both in outdoor stalls and in bookstores – an embodiment of the old Arab saying, "Egyptians write, Lebanese publish, Iraqis read". However, there is more to the street than meets the eye, as Al-Mutanabbi can be thought of as an intellectual, literary, and cultural complex composed of the street itself, the Baghdadi Cultural Centre, and the Al-Qishla compound in Al-Sarai Street.

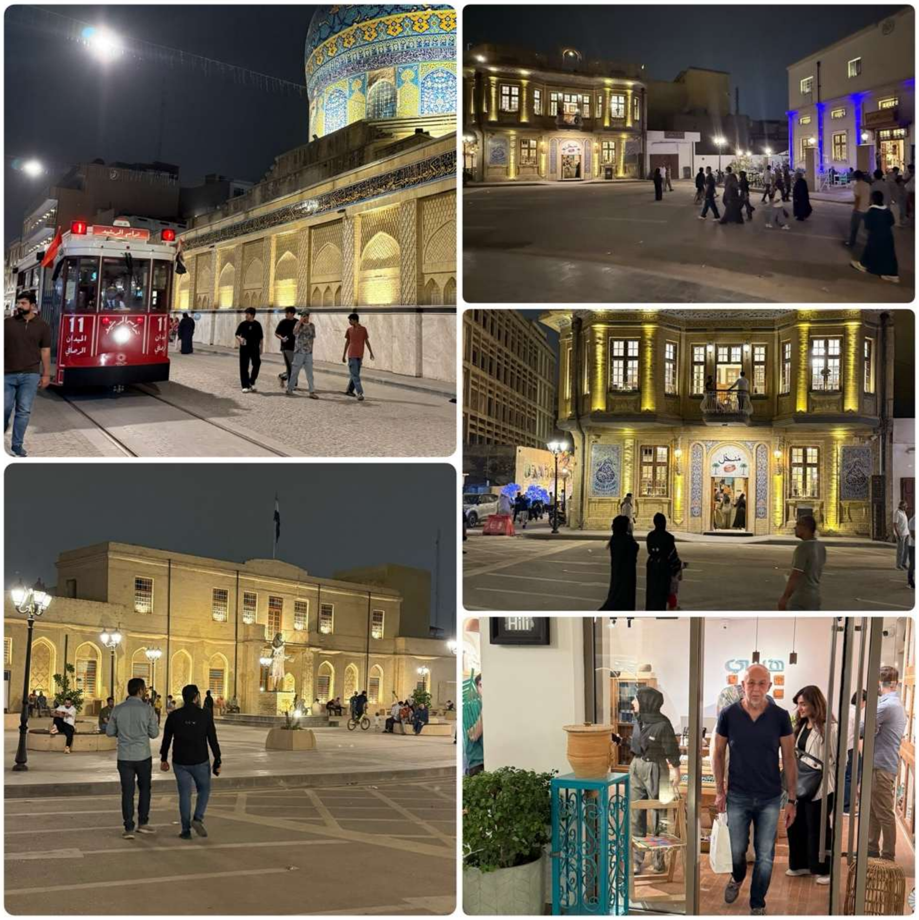
The visit took place at almost the same time of the year as the one reported on exactly four years ago in "[Sandstorms, and a stroll down Al-Mutanabbi Street]", yet since then, the complex has undergone significant renovations, stemming from the cumulative positive effects of the relative stability that the country enjoyed over the last few years. The latest renovation "Iqraa Downtown", part of the ongoing Baghdad Downtown initiative, was completed in February with the transformation of a historic building in Al-Sarai Street into a vibrant cultural and commercial complex. The complex, in both name, and features, fits in with the street's character – the word "Iqraa" in Arabic means read, and the complex incorporates bookshops, a public library, and a gallery, among many other attractions such as shops, cafés, and restaurants, as well as a tiny five-star boutique hotel. The Baghdad Downtown initiative's renovations over the past few years deserve a fuller telling in a future piece, until then the photos below offer a glimpse of the complex on a night walkabout.

A Night Walkabout in Al-Mutanabbi Complex



(Source: AFC Research)

A Night Walkabout in Al-Mutanabbi Complex



(Source: AFC Research)

While being fully cognizant of the effects of the geopolitical risks on Iraq's economy, the argument made in the [outlook for 2026](), is still valid, in that both of the two key dynamics, discussed here often, – the cumulative positive effects of the relative stability and structural banking developments – are in the early stages of their transformation of the economy, a process that should continue to unfold over the next few years. However, considerable risks remain, in that the current pause in the U.S.-Israel war on Iran, in the form of "no war-no peace", would end reigniting a conflict that could escalate considerably beyond the control of participants, direct and indirect, and become an all-out war engulfing the region, filled with all the nightmare scenarios that are popping up in the media, by experts and "experts".