

# Iraq Stock Exchange goes electronic

By Aamer Madhani, USA TODAY



*Iraqi investors track stocks Sunday in Baghdad at the Iraq Stock Exchange, where an electronic trading system replaced erasable boards.*

BAGHDAD — The Iraq Stock Exchange is switching from writing on a big board to computers.

The ISX launched electronic trading on Sunday, raising hopes the faster method will attract foreign investment to this burgeoning but cash-strapped economy.

Since the exchange opened in 2004, all trading has been done by brokers crowding around large erasable boards to buy and sell stock — akin to watching a professor scribbling on the board in a college classroom.

Trading under Iraq's system has been colorful, as dapper men dressed in suits scream sale prices to their clients over cellphones, but it locked out all but a few foreign investors willing to take a chance on Iraq as it emerges from a longtime dictatorship and years of war.

"This is an important step to opening ourselves up to foreign investment," said Taha Ahmed Abdul Salam, chief executive of the exchange. "We are starting to create the transparency and systems that will make Iraq attractive to investors outside of Iraq."

In the first day of electronic trading, three banks and two Baghdad hotels had their shares bought and sold under the new system, as traders monitored prices on 46-inch LCD television screens. The other 86 companies listed on the ISX will gradually switch by the end of the year.

Iraq's fledgling stock exchange, which traded \$270 million last year, is dwarfed when compared to the New York Stock Exchange's 8,500 listings of companies valued at \$16.7 trillion through the end of 2008.

Under the computerized system, transactions will clear almost instantly. Sales that took as long as two weeks to be certified can now be completed in a matter of minutes, said Abdul Razaq al-Saadi, chairman of the Iraq Securities Commission.

Foreign investors accounted for about \$21.5 million of trading last year, or 8% of the ISX's volume, al-Saadi said. But he is confident that foreign and local investment will grow as it becomes easier to access the market.

On the trading floor Sunday, brokers crowded around the TV screen to monitor sales. Although most of the traders said they were glad the exchange is finally going modern, many said they are cautious about wading into the electronic market.

"It's supposed to be faster and easier, but for today I'm just watching and waiting," said Moysen al-Amali, a trader on the floor of the exchange. "I want to see what happens before I test it with my own money."