

Closing Price Calculation (VWAP)

Frequently Asked Questions

➤ Q1: What is (VWAP)?

It is the Volume Weighted Average Price, a methodology for calculating the closing price of a listed company

➤ Q2: How is the closing price calculated using the VWAP?

The VWAP takes the average price of trades that occurred in the last 15 minutes before market close, where the total of all traded value of a company is divided by the total traded shares of that company, the result is the VWAP closing price.

For example:

Price	Quantity	Value	Time
103.25	3,000	309,750	3:16 PM
105.5	2,110	222,605	3:18 PM
105.75	2,100	222,075	3:20 PM
105	500	52,500	3:22 PM
107	100	10,700	3:24 PM
108	2,000	216,000	3:26 PM
109	1,500	163,500	3:28 PM
106	1,500	159,000	3:29 PM
Total	12,810	1,356,130	

- The closing price using the VWAP methodology is: $1,356,130 / 12,810 =$ SR105.86
- The closing price using the last normal price is: SR106

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➤ **Q3: What is the difference between the Last Normal Price and the VWAP?**

The Last Normal Price is determined by a trade exceeds SR15,000, whereas the VWAP takes the average price for the last 15 minutes

➤ **Q4: Based on which price the next day's fluctuation is calculated?**

It is calculated based on the previous day's closing price (VWAP)

➤ **Q5: How is “the change price” of a stock calculated?**

There are 2 states:

1. Market Open (from 11:00:00 to 03:30:00 PM): the change is calculated based on last price and the previous day's closing price (VWAP)
2. Market PreClose (03:32:00 PM) : the change is calculated based on today's closing price (VWAP), and the previous day's closing price (VWAP)

➤ **Q6: What is the closing price in case no trades occurred in the last 15 minutes?**

In this case, the closing price is the last normal price before last 15 minutes

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- **Q7: What is the closing price in case no trades occurred during the day?**

The closing price is the previous day's closing price (VWAP)

- **Q8: At what time the closing price VWAP will be disseminated ?**

The closing price will be disseminated in the Market PreClose state (03:32:00PM)

- **Q9: If the closing price is not within the tick size bands, how can the order be entered outside the tick size bands?**

The order must be entered within the tick size bands. For example:

The closing price= 106.22 SR. The order can be entered as: 106.00, 106.25, 106.50 etc..

- **Q10: Does the put-through trade affect the closing price (VWAP)?**

The put-through does not affect the closing prices

- **Q11: Does the VWAP methodology affect the indices calculation?**

The indices are not affected by the VWAP, as they are calculated based on the last normal price method

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➤ **Q12: Is the VWAP methodology applied to all listed market securities?**

It is only for equity market

➤ **Q13: Where are the closing prices displayed on Tadawul website?**

The closing prices are displayed on the following pages:

1. Companies Detail Quote
2. Historical Data (Performance Summary)
3. Detail Quote Non Adjusted
4. Last 6 traded days

The closing prices are displayed on the following reports:

1. Detailed Daily Report
2. Daily Report
3. Weekly Report
4. Monthly Report
5. Quarterly Report
6. Annual Report
7. Daily Financial Indicators