

Global Economic Development

- US Q2 GDP Growth Revised Lower at 2% in Q2 2019.
- US Corporate Profits Rise 5.1% in Q2 2019.
- US goods trade deficit smaller than expected at USD 72.3 billion in July 2019 from USD 74.2 billion in June.
- US wholesale inventories rise 0.2% mom in July.
- The US FOMC minutes showed a disagreement regarding the extent of a rate cut, a few preferring a 50bps cut vs 25bps.
- US personal income grows the least in nearly a year at 0.1% mom in July of 2019.
- Canada average weekly earnings rise 2.5% yoy in June.
- Eurozone inflation rate steady at 1 % in August 2019, near 3-year low.
- Eurozone seasonally-adjusted unemployment rate stood at 7.5% in July 2019.
- Eurozone manufacturing PMI rose slightly to 47 in August 2019 from 46.5 in July.
- ECB policymakers noted that the economic growth was likely to be weaker than initially thought this year and a package of stimulus measures would be more effective in combating the slowdown than a sequence of selective actions.
- Germany's seasonally adjusted unemployment rate edged lower to 3% in July 2019 from 3.1% in June.
- Germany 10 Year Government Bond Yield decreased to an all-time low of -0.71%.
- UK manufacturing PMI fell to 47.4 in August 2019 from 48.0 in the previous month.
- Turkish economy shrank by 1.5% yoy in Q2 2019, easing from a downwardly revised 2.4% in Q1.
- Turkey foreign tourist arrivals rise 16.7% in July.
- China General Manufacturing PMI rose to 50.4 in August 2019 from 49.9 in July, beating market expectations of 49.8.
- Japan housing declined by 4.1 % yoy in July 2019, compared to market consensus of a 5.4 % fall and reversing a 0.3 % gain in the previous month.
- Japan industrial production climbed 1.3% mom in July 2019 after contracting 3.3% in June.
- Vietnam Manufacturing PMI Lowest in 6 Months at 51.4 in August 2019.
- South Korea Q2 GDP growth rate at 2% yoy.
- Indian GDP growth weakest in over 6 years at 5% yoy in the Q2 2019.

Local & Regional Economic Development

- Palestine Producer Price Index (PPI) decreased by 0.59% mom in July 2019 and reached 97.96.
- Palestine Exports & imports decreased by 13% & 7% mom in June.
- Palestine CPI increased by 0.18% mom on July 2019.
- Palestine Industrial Price Index (IPI) increased by 1.01% mom in June 2019 and reached 97.09.
- Egypt Unexpectedly Cuts Key Interest Rate to 14.25%.

Palestine Key Economic Indicators					
	2014	2015	2016	2017	2018
Population ('000)	4,429	4,530	4,632	4,733	4,854
Real GDP Change	-0.2	3.4	4.1	3.2	0.70
Real Per Capita GDP Change	-3.1	0.4	1.2	0.1	NA
Inflation Rate	1.73	1.43	-0.22	0.21	-0.19
Unemployment rate	26.9	25.9	26.9	27.40	30.80

- Egypt Non-Oil Private Sector Shrinks Again to 49.4 in August 2019 from 50.3 in the previous month.
- Egypt Central Bank slashed all interest rates by 1.5%, catching most market analysts by surprise.
- Jordan Inflation rate edged down to 0.2% in July of 2019 from 0.5% in the previous month.
- Lebanon was downgraded by Fitch two notches to CCC deeper into junk territory.
- GCC total debt issuance hit a record high USD 40bn in Q2 2019, surpassing Q1's record of USD 32bn.
- Saudi Arabia Non-Oil Private Sector Picks Up in August to 57.7 in August 2019 from a five-month low of 56.6 in a month earlier.
- Saudi Aramco has picked Lazard and Moelis & Co for advising on its IPO.
- UAE Non-Oil Private Sector PMI Falls sharply to 8-Year Low at 51.6 in August 2019 from 55.1 in July.
- Dubai tourists increased by 3% yoy to 8.36mn in H1 this year.
- Ras Al Khaimah was affirmed by Fitch at A, with a stable outlook.
- Qatar plans to build a new seaport at Somalia's Hobyo– known for its proximity to the Bab-el-Mandeb Strait.
- Oman Inflation Rate at 3-Month High, it increased 0.3% yoy in July of 2019, from a flat reading June.
- Oman's Ministry of Commerce and Industry will implement the new Foreign Capital Investment Law from January 2, 2020.
- Kuwait Inflation picked up by 1.15% yoy and 0.26% mom in July 2019.
- Bahrain Consumer Prices Fall for 1st Time Since 2012 at 0.4% yoy in July of 2019, following a 0.2% rise in June.
- Tunisia industrial output shrinks for 10th month, it slid 4.3% from a year earlier in June 2019.
- Morocco's annual inflation rate rose marginally to 0.3% in July 2019 from 0.2 % in the prior month.



- **Dividends for 2018 reached USD 189 million**, Ahmad Aweidah, CEO of the Palestine Exchange (PEX), announced that the amount of dividends distributed by listed companies on the PEX was about USD 189 million for the year 2018, a decline of 2.66% compared to 2017. A review of PEX profit making listed companies shows that, 63% managed to distribute dividends, an increase of 10.40% compared to 2017. Cash dividends were distributed by 29 companies and amounted USD 151.40 million, a decline of 5.30% compared to 2017, while 10 companies offered stock dividends with total value of USD 36.70 million, a growth of 9.12% compared to last year.

Aweidah said that PEX dividend yield for the year 2018 recorded 5.27%, an excellent rate compared to the banking sector interest rate. He added that "Despite the 2018 challenges, the listed companies proved their resilience by being able to maintain a steady level of dividends, reflecting a stable performance and an increase in investors' confidence". He hoped that this performance will have a positive impact on market liquidity.

Other Financial News

- **Palestine Monetary authority and Palestine capital market authority sign a memorandum of understanding to cooperate jointly to control and maintain financial stability**, including strengthening confidence in the capital market as well as in the banking system in Palestine, maintaining financial and monetary stability and reducing systemic risks, protecting current and prospective users and customers in the banking and financial sectors, and working to enhance confidence in banking and financial institutions that provided services and products that comply with Islamic law and promotes financial inclusion in Palestine.

It is worth mentioning that the relationship between Palestine Monetary Authority and Palestine Capital Market Authority is based on continuous consultation and cooperation, and they are combined by many joint projects and committees, in order to serve to protect the banking system in Palestine and control it, ensure its stability and encourage economic growth, and create the right climate to achieve stability and growth of capital, regulation, development and control of the capital market in Palestine, protection of the rights of customers and promotion of financial inclusion.

Corporate News

- **Ahliea Insurance Group (PEX: AIG)** stock dividends of (35%) was added to company's shareholders on August 08th, 2019 raising the company subscribed capital to (54 million) shares.

Trading Summary

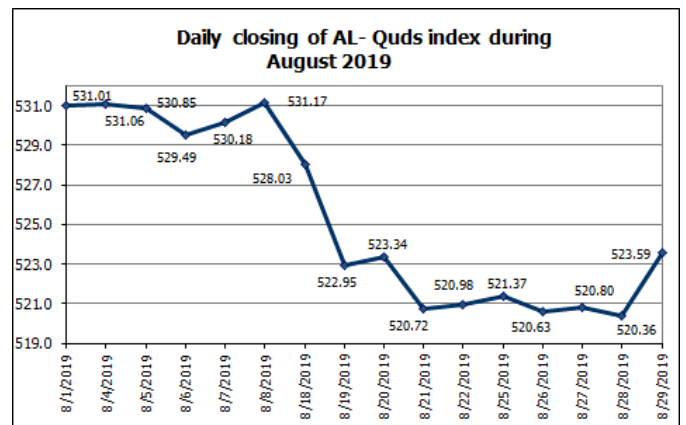
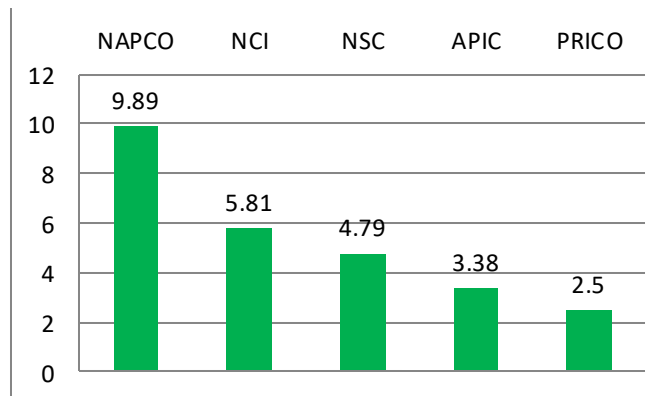
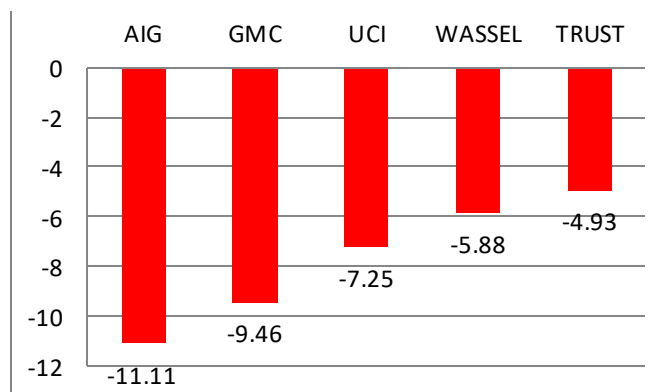
Details	Value	Month Change	YTD
Index close (points)	523.59	-1.10%	-1.09%
Trading value (US\$)	7,620,816	-65.64%	180,317,880
Trading volume	4,291,420	-71.91%	106,298,593
No. of transactions	1,750	-39.13%	20,976
Market Cap. (US\$)	3,732,734,585	-0.99%	3,732,734,585

Key Indicators

No. of listed Companies	48
Subscribed Shares	1,947,253,495
Annual Turnover Ratio	7.47%
Price earnings ratio (P/E)	12.44
Daily average value turnover (US\$)	476,301
Daily average Volume turnover	268,213

PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	523.59	-1.10%
General	293.09	-1.00%
Banking & Financial Serv.	143.94	-1.14%
Industry	97.20	-1.29%
Insurance	92.21	-3.11%
Investment	28.88	-0.93%
Services	41.13	-0.46%

Al Quds Index

Top Gainers

Top Decliners

Arab Markets Indices

Country	Value	M. Change	Y-To-D
BAHRAIN	1,533.09	-0.94%	14.64%
EGYPT	14,835.36	10.77%	13.81%
KUWAIT	5,941.13	-2.87%	12.79%
DUBAI	2,758.60	-5.47%	9.05%
SUDAN	14,518.10	0.33%	9.02%
ABU DHABI	5,165.57	-2.86%	5.10%
CASABLANCA	11,710.94	0.81%	3.05%
SAUDI	8,019.77	-8.16%	2.47%
TUNIS	7,278.43	1.60%	0.09%
QATAR	10,232.85	-2.59%	-0.64%
PALESTINE	523.59	-1.10%	-1.09%
DAMASCUS	6,041.45	0.21%	-2.40%
AMMAN	1,821.11	-2.79%	-4.59%
IRAQ	473.21	-1.43%	-7.24%
MUSCAT	4,004.86	6.49%	-7.38%
BEIRUT	796.76	-3.83%	-18.43%

Al Quds Index Companies

Company	Ticker	Currency	M. Cap. USD' Million	Price EOM	Monthly Change %	YTD Change%	P/E
Ahliea Insurance Group	AIG	US\$	17.28	0.32	-11.11	-17.95	8.14
Arab Palestinian Investment	APIC	US\$	214.38	2.45	3.38	4.26	13.37
Bank Of Palestine	BOP	US\$	424.32	2.08	-1.89	-10.34	7.84
Birzeit Pharmaceuticals	BPC	US\$	91.21	4.80	-2.04	-6.61	11.45
Palestine Islamic Bank	ISBK	US\$	142.45	1.85	-2.12	0.00	9.41
Jerusalem Pharmaceutical	JPH	US\$	50.40	2.80	-4.11	-13.58	8.40
Wataniya Palestine Mobile Telecommunications	OOREDOO	US\$	298.86	1.02	-1.92	24.39	2,974.50
Palestine Development & Investment	PADICO	US\$	300.00	1.20	-4.00	-6.25	19.31
Palestine Telecommunications	PALTEL	JOD	770.44	4.15	-0.24	-3.94	8.14
Palestine Electric	PEC	US\$	85.80	1.43	2.14	5.15	9.76
Palestine Investment Bank	PIBC	US\$	81.90	1.05	0.00	-13.22	18.86
Palestine Real Estate Investment	PRICO	JOD	36.87	0.41	2.50	-4.65	---
Quds Bank	QUDS	US\$	133.46	1.48	-3.27	-21.28	11.51
The National Bank	TNB	US\$	127.92	1.64	1.86	-3.53	6.64
Union Construction and Investment	UCI	US\$	20.48	0.64	-7.25	6.67	10.63

Pa l e s t i n e E x c h a n g e (P E X) u n d e r t a k e s a l l t h e r e a s o n a b l e e f f o r t s t o e n s u r e t h a t d a t a i n d u d e d i n t h i s n e w s l e t t e r w a s c o r r e c t a t t h e t i m e o f p u b l i c a t i o n . H o w e v e r , P E X s h a l l n o t b e r e s p o n s i b l e o r l i a b l e f o r d e c i s i o n s t a k e n o r s y s t e m - r e l a t e d o r o t h e r a c t i v i t y p e r f o r m e d b y a n y p a r t b a s e d o n t h i s n e w s l e t t e r .