

Obituary



With great sorrow the Palestine Exchange regrets to announce the passing of,

Dr. Farouq Zuaiter

Chairman of the Board of Directors

With his death the Palestinian economic community has lost a prominent expert with a broad vision, who loved his work and country. He will always be remembered by his contribution in every position he occupied during his productive journey.

May his soul rest in Peace

Global Economic Development

- US inflation shot up 0.5% mom (2.1% yoy) in Jan.
- US Initial Jobless Claims below Forecasts. It fell by 7 thousand to 222 thousand in the week ended February 17th 2018, below market expectations of 230 thousand.
- US Crude Oil Inventories Unexpectedly Shrink by 1.616 million barrels in the week ended February 16th.
- US Factory Growth Highest Since 2014, it rose to 55.9 in February from 55.5 in January.
- Canada Economic Activity Expands 0.1% mom in December 2017.
- EU January Inflation Rate Confirmed at 6-Month Low of 1.3 percent yoy in January 2018.
- EU Investor Morale Remains High in February at 29.30, higher than market expectations of 28.4.
- EU consumer confidence index fell by 1.3 points to 0.1 in February 2018.
- German Jobless Rate unchanged at 37-Year Low, at 3.6 percent in January 2018.
- German Q4 GDP Growth Confirmed at 0.6%.
- UK Q4 GDP Growth Revised Down to 0.4%.
- UK Jobless Rate Rises unexpectedly to 4.4% in February.
- UK Budget Surplus Narrows in January at GBP 11.62 billion in January 2018
- French Inflation Rate Revised Down to 1.3% in January.
- Japan Inflation Rate at 34-Month High of 1.4% in January.
- Japan's GDP growth in Q4 decelerated to 0.1% qoq from 0.6% in Q3 2017.
- Japan Manufacturing PMI edged down to 54.0 in February 2018 from 54.8 in January.
- China Factory Growth at 6-Month High in February, it edged up to 51.6 from 51.5 in the prior month.
- S&P Upgrades Russia's Credit Rating to 'BBB-'

Local & Regional Economic Development

- Palestine overall Producer Price Index (PPI) reached 100.75 in January 2017.
- Palestine Exports & imports increased in December 2017, 2017 by 2.5% & 6.30% respectively mom and reached USD 95.3 million & USD 469.2 million.
- Palestine overall CPI for Palestine during January 2018 decreased by 0.13% mom in January 2018.
- Palestine overall IPI increased 4.11% and reached 107.84 yoy in 2017.
- Palestine unemployment rate among labour force participants was 27.4% in 2017.
- Egypt GDP grew by around 5.3% in Q2 of the 2017-18 fiscal year.
- Egypt's central bank cut interest rates by 100 bps, first time since the currency float.
- Egypt unemployment rate fell to 11.3% in Q4 2017.
- Bahrain Inflation Rate Speeds Up to 2.8% in January.
- Tunisia Industrial Output Falls 0.2% in December.
- The Qatar Stock Exchange plans to list some 5-8 SMEs this year on its 'QE Venture Market'.
- Lebanese Inflation Rate at Over 4-1/2 Year High of 5.55%.
- Lebanon economic situation is viewed as fragile according to the IMF.
- Kuwait Inflation Rate at 4-Month Low of 0.98%
- Morocco Inflation Rate Slows to 1.8% in January
- Saudi Arabia Inflation Rate Jumps to 3% in January.
- Saudi Tadawul number of foreign investors more than doubled last year to over 120.
- Saudi Arabia's central bank has signed a deal with Ripple to use their blockchain technology.
- UAE value of fund transfers among banks amounted to AED 604.33bn (USD bn) during Jan 2018.
- UAE is considering creation of a regulatory framework for virtual currency exchanges.

| Palestine Key Economic Indicators | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Population ('000) | 4,421 | 4,550 | 4,682 | 4,867 | 4,950 |
| Real GDP Change | 2.2 | -0.2 | 3.4 | 4.1 | 3.2 |
| Real Per Capita GDP Change | -0.8 | -3.1 | 0.4 | 1.2 | 0.1 |
| Inflation Rate | 1.72 | 1.73 | 1.43 | -0.22 | 0.21 |
| Unemployment rate | 23.4 | 26.9 | 25.9 | 26.9 | 27.40 |



- Palestine exchange (PEX) and Nasdaq sign New Market Technology Agreement** to deliver new matching engine technology via the Nasdaq Financial Framework architecture to Palestine's stock exchange. PEX, which will also continue to use Nasdaq's SMARTS surveillance technology for monitoring its market, will leverage the modular functionality of the Nasdaq Financial Framework. This new agreement marks the next chapter in a 10-year technology partnership between Nasdaq and PEX. "We are delighted to extend our partnership with Nasdaq," said Ahmad Aweidah, CEO of PEX. "Obtaining best of breed technology is vital for our future in running a modern competent market that maintains the interest of its investors and protects their rights."

"By upgrading to new, next-generation trading technology operated by many of the largest exchanges in the Middle East and worldwide, PEX will bring the performance, scalability and resiliency to its customers and partners they demand," said James Martin, Regional Manager, EMEA, Market Technology, Nasdaq. "We look forward to partnering with PEX as they continue to transform their market and evolve as an important regional player in the Middle East."

- The preliminary results of 2017 at PEX showed that net profit amounted to 297,243,061 USD, a growth of 3.32% in comparison to 2016.** Results also showed that forty one companies achieved profits of 325,102,898 USD a growth of 9% compared with the same period of 2016, while the net loss of the other five companies was 27,859,838 USD. Two suspended companies failed to disclose within the legal time frame.

Ahmad Aweidah, CEO of PEX stated that in line with listed company's results, PEX trading value and volume continued to grow during 2017. He hoped that this positive performance of the listed companies would sustain and enhance liquidity levels during the year 2018.

Corporate News

- The Palestine Real Estate investment Co. (PEX: PRICO) Chairman Mr. Nabeel Sarraf resigned from his position.
- Palestine Islamic Bank (PEX: ISBK) to have a new board member, the Palestine Pensions Authority.

Trading Summary

| Details | Value | Month Change | YTD |
|----------------------|---------------|--------------|---------------|
| Index close (points) | 584.61 | 1.69% | 1.75% |
| Trading value (US\$) | 26,996,117 | -32.57% | 63,810,201 |
| Trading volume | 14,243,591 | -26.67% | 35,365,959 |
| No. of transactions | 3,763 | -4.10% | 7,687 |
| Market Cap. (US\$) | 3,981,175,807 | 1.75% | 3,981,175,807 |

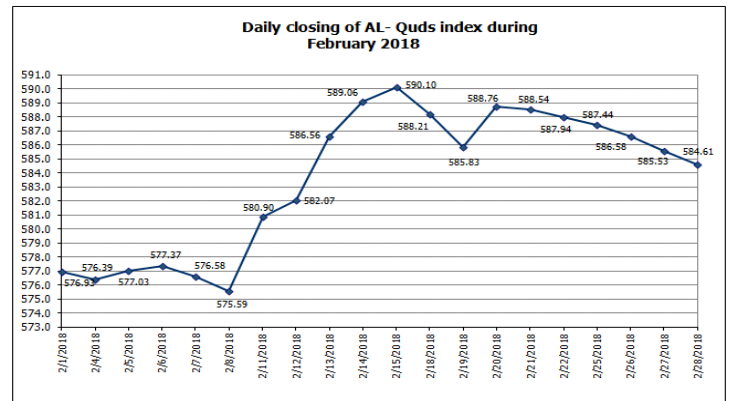
Key Indicators

| | |
|-------------------------------------|---------------|
| No. of listed Companies | 48 |
| Subscribed Shares | 1,805,675,267 |
| Annual Turnover Ratio | 15.95 % |
| Price earnings ratio (P/E) | 14.08 |
| Daily average value turnover (US\$) | 1,595,255 |
| Daily average Volume turnover | 884,148 |

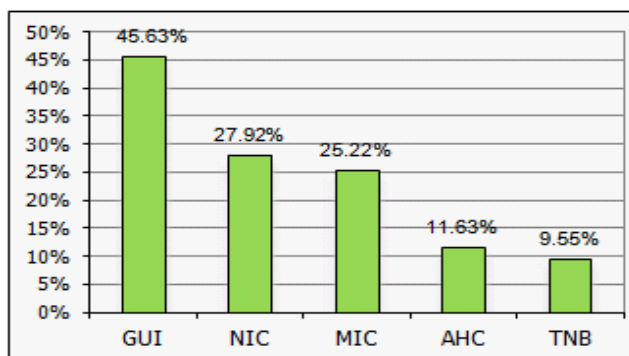
PEX Indices

| Index (Base Value =100) | Points | Change |
|---------------------------|--------|--------|
| Al-Quds | 584.61 | 1.69% |
| General | 317.87 | 1.75% |
| Banking & Financial Serv. | 165.40 | 1.48% |
| Industry | 103.32 | 2.52% |
| Insurance | 77.86 | 8.52% |
| Investment | 30.95 | 3.51% |
| Services | 44.56 | -0.22% |

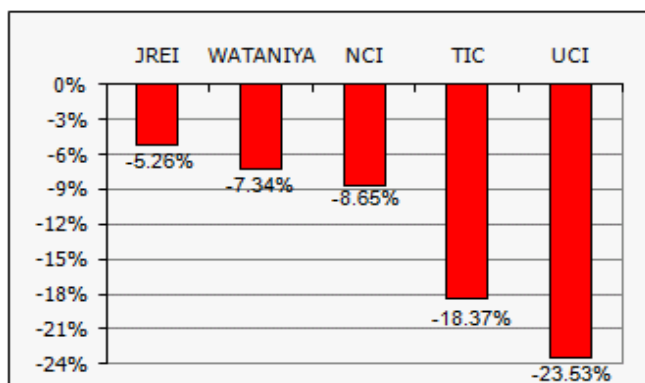
Al Quds Index



Top Gainers



Top Decliners



Arab Markets

| Country | Value | M. Change | Y-To-D |
|------------|-----------|-----------|--------|
| SUDAN | 4,668.78 | 1.82% | 11.10% |
| IRAQ | 635.07 | 7.56% | 9.39% |
| TUNIS | 6,698.51 | 4.15% | 6.63% |
| CASABLANCA | 13,142.71 | 0.51% | 6.09% |
| KUWAIT | 6,772.83 | 1.27% | 5.69% |
| ABU DHABI | 4,597.66 | -0.10% | 4.53% |
| DAMASCUS | 6,249.61 | 5.57% | 4.46% |
| AMMAN | 2,219.67 | 1.20% | 4.37% |
| EGYPT | 15,472.69 | 2.86% | 3.02% |
| BAHRAIN | 1,369.90 | 1.42% | 2.87% |
| SAUDI | 7,418.80 | -3.02% | 2.66% |
| PALESTINE | 584.61 | 1.69% | 1.75% |
| QATAR | 8,653.32 | -5.99% | 1.52% |
| BEIRUT | 1,165.45 | -1.02% | 1.47% |
| MUSCAT | 5,003.37 | 0.07% | -1.88% |
| DUBAI | 3,244.12 | -4.43% | -3.74% |

AI Quds Index Companies

| Company | Ticker | Currency | M. Cap. USD' Million | Price EOM | Monthly Change % | YTD Change% | P/E |
|--|----------|----------|-------------------------|--------------|---------------------|----------------|-------|
| Arab Islamic Bank | AIB | US\$ | 131.25 | 1.75 | 0 | (-0.57) | 20.5 |
| Ahliea Insurance Group | AIG | US\$ | 11.20 | 0.28 | 0 | 16.67 | 3.59 |
| Arab Palestinian Investment | APIC | US\$ | 157.50 | 2.25 | 8.7 | 13.64 | 9.03 |
| Bank Of Palestine | BOP | US\$ | 524.00 | 2.62 | 0.77 | (-1.13) | 9.7 |
| Golden Wheat Mills | GMC | JOD | 17.56 | 0.83 | (-1.19) | 3.75 | 8.42 |
| Palestine Islamic Bank | ISBK | US\$ | 151.80 | 2.2 | 2.33 | 2.33 | 10.45 |
| Jerusalem Cigarette | JCC | JOD | 13.26 | 0.94 | 6.82 | 4.44 | 18.55 |
| Palestine Development & Investment | PADICO | US\$ | 377.50 | 1.51 | 7.86 | 0.67 | 66.48 |
| Palestine Telecommunications | PALTEL | JOD | 881.83 | 4.75 | 1.5 | 3.71 | 8.86 |
| Palestine Electric | PEC | US\$ | 82.80 | 1.38 | 3.76 | 6.15 | 9.58 |
| Palestine Real Estate Investment | PRICO | JOD | 40.47 | 0.45 | (-2.17) | (-10.00) | --- |
| Quds Bank | QUDS | JOD | 144.96 | 2.12 | (-0.93) | 0.00 | 12.97 |
| The National Bank | TNB | US\$ | 146.25 | 1.95 | 9.55 | 5.98 | 15.89 |
| Union Construction and Investment | UCI | US\$ | 16.64 | 0.52 | (-23.53) | (-24.64) | 24.46 |
| Wataniya Palestine Mobile Telecommunications | WATANIYA | US\$ | 260.58 | 1.01 | (-7.34) | (-2.88) | --- |

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