

Global Economic Development

- US inflation in Sep rose 5% mom (2.2% yoy, the highest since Apr).
- US initial jobless claims fell 22,000 to 222,000, the lowest level in 44 years.
- Minutes of the US FED FOMC Sep meeting revealed a split over the inflation outlook, some members are cautioned the decision must depend on whether inflation picks up.
- Eurozone's inflation was unchanged at 1.5% yoy in Sep due to a stronger euro. Core inflation also was unchanged at 1.1% yoy in Sep.
- ECB President Draghi pointed out that the QE would continue until inflation is comfortably in line with the ECB mandate.
- German inflation was unchanged at 1.8% in Sep from Aug.
- The Eurozone's external trade surplus shrunk to EUR 16.1bn in Aug from EUR 22.3bn in July.
- UK inflation accelerated to 3% yoy in Oct from 2.9% in Sep, the highest rate since early 2012.
- The UK unemployment rate was steady at 4.3% in Aug, the lowest since 1975.
- China's GDP expanded at 6.8% yoy in Q3 a notch below the 6.9% rate in Q2. Industrial production grew 6.6% yoy in Sep.
- Japan's current account surplus increased by 20.8% yoy in Aug and reached JPY 2.38tn. Trade surplus was JPY 240.3bn in Sep.
- India's inflation rose 3.3% yoy in Sep, unchanged from Aug.

Local & Regional Economic Development

- Palestine industrial production index increased 16.97% in Aug.
- Palestine Consumer & Producer price indices increased by 0.65% & 4.11% respectively mom in Sep.
- Palestine exports & imports increased by 3.3% & 8.30% respectively mom in Aug.
- MENA region 2017 growth forecasts is 2.2% compared to 5.1% last year, according to the IMF.
- Middle Eastern inbound M&A grew by 220% yoy to reach an all-time high of USD 7.3bn in Jan-Sep according to Reuters.
- The IMF forecasts Egypt's growth at 4.5% in 2017, below the government's 5-5.25% growth estimates.
- Egypt's inflation rate eased to 31.6% in Sep (Aug: 31.9%).
- Jordan's real GDP is expected to grow by 2.3% in 2017, according to the World Bank.
- Kuwait announced a budget deficit of KWD 1.94bn in H1 of the fiscal year 2017-18.
- Lebanon approved the first state budget in 12 years.
- Oman's inflation in Sep touched 1.6% yoy.
- Oman decided to convert Muscat Securities Market to a company fully owned by the State General Reserve Fund. Listing & IPO will take place in the near future.
- Qatar's consumer price deflation deepened in Sep: prices fell by 0.5% yoy, after a 0.4% drop in Aug.
- Qatar is discussing an international bond issuance for this year.
- Saudi Arabia's governor stated that the central bank may raise the maximum loan-to-deposit ratio for commercial banks if that is needed to help the economy.
- Saudi Capital Market Authority has created a new Listed Companies and Capital Market Institutions Auditors Supervision Division to supervise audits of listed companies.
- Banks in the UAE will be fully compliant with the Basel III capital rules, as per the new central bank regulations.

Palestine Key Economic Indicators					
	2012	2013	2014	2015	2016
Population ('000)	4,293	4,421	4,550	4,682	4,867
Real GDP Change	6.3	2.2	-0.2	3.4	4.1
Real Per Capita GDP Change	3.1	-0.8	-3.1	0.4	1.2
Inflation Rate	2.78	1.72	1.73	1.43	-0.22
Unemployment rate	23	23.4	26.9	25.9	26.9



- PEX **listed companies' third quarter financial results** showed that net profits after tax (profits-loss) reached USD 236,678,640 a decline of 3.3% yoy. Profits of 41 companies reached USD 246mn and the loss of five companies was USD 9mn. Two companies failed to disclose with in the deadline.
- PEX concluded on Monday Oct., 30th, 2017 a special workshop titled **"Brokerage Firms and Their Role in the Palestinian Securities Sector"**. The workshop was presented by a team from PEX with the participation of a group of experts in the Palestinian securities sector and attended by representatives of the Capital Market Authority, listed companies; brokerage firms, PEX, as well as representatives of the Social Security Fund, the Palestine Investment Fund, academics and interested parties.

The workshop is part of PEX efforts in investment awareness, it aimed to enhance the brokerage firm's services and activate their role in the securities sector. It emphasized the pivotal role played by brokerage firms in the securities sector and discussed the opportunities to develop their services to match those available in both regional & international financial markets. The participants stressed on the need to develop the brokerage firm's services and to create new investment instruments, especially in light of this positive atmosphere prevailing in the local market.

- PEX participated in **the World Investor Week 2017**, launched by the International Organization of Securities Commissions (IOSCO) and organized locally by the Palestine Capital Market Authority (PCMA). The world investor week 2017 was held during Oct. 2-8, 2017 and included many activities and events shared by the securities sector partners.

PEX activities included receiving more than 300 students in awareness sessions about the securities sector and investment mechanisms. PEX also handed the Ministry of Higher education 1400 copy of a CD titled "a visit to PEX" which include an audio movie about PEX, saving and investment oriented to the 10th grade students, will be distributed to Palestine secondary schools, in accordance with an agreement signed with the Ministry early this year.

PEX also participated with the PCMA in a workshop held in two universities, Palestine Technical University and Palestine Ahliya University, in a paper titled "Rules to invest" among other papers presented in the workshop. In the same context, PEX held a meeting with the technical sponsor of its "stock stimulation contest" to discuss means to enhance the contest in its 10th anniversary; so far 2100 university students had participated in the contest.

Corporate News

- An independent equity research provider Alpha Mena published on Oct. 26th a financial research report on Palestine Telecommunications company (PEX:PALTEL), [the report](#) revealed a target price for PALTEL share at JOD 6.64. The share closed price for October was JOD 4.60.
- Arab Islamic Bank (PEX:AIB) offered 941,613 new shares at USD 1.25 in a secondary public offering, registered shareholders as of Oct. 15th were entitled to subscribe.
- Al-Quds Bank (PEX: QUDS) resigned from the board of directors of Palestine Islamic bank (PEX: ISBK) in Oct. 3rd after selling its stake to Palestine Pension Fund.

Trading Summary

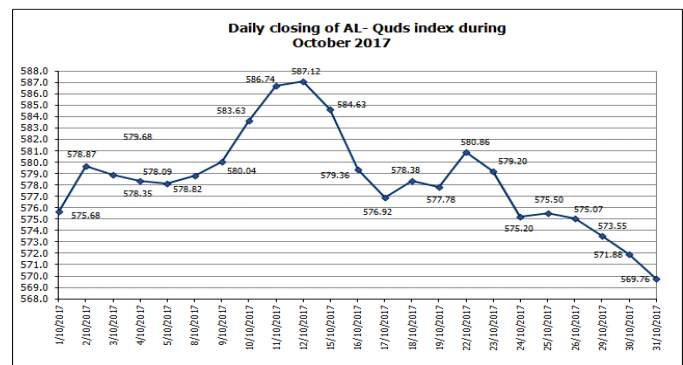
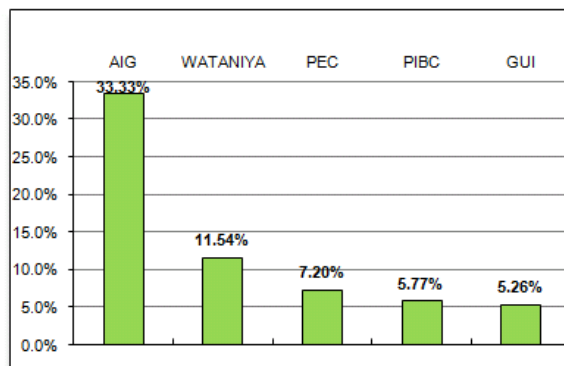
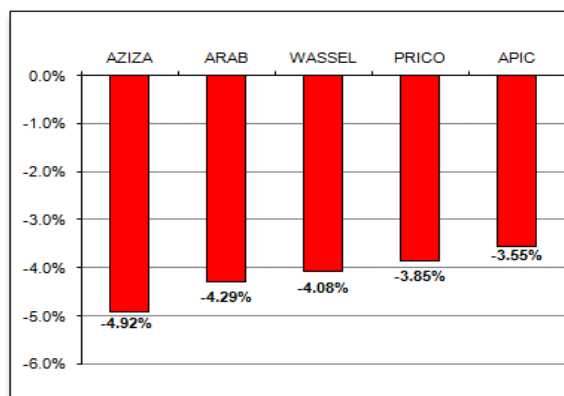
Details	Value	Month Change	YTD
Index close (points)	569.76	0.35%	7.47%
Trading value (US\$)	30,541,180	-29.28%	362,782,021
Trading volume	18,469,874	2.39%	210,405,167
No. of transactions	6,377	60.11%	46,376
Market Cap. (US\$)	3,829,613,132	0.37%	3,829,613,132

Key Indicators

No. of listed Companies	48
Subscribed Shares	1,803,883,654
Annual Turnover Ratio	12.56 %
Price earnings ratio (P/E)	13.55
Daily average value turnover (US\$)	1,787,104
Daily average Volume turnover	1,036,478

PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	569.76	0.35%
General	306.07	0.37%
Banking & Financial Serv.	155.91	-0.20%
Industry	92	-1.80%
Insurance	71.29	3.18%
Investment	29.87	-1.03%
Services	44.96	2.16%

Al Quds Index

Top Gainers

Top Decliners

Arab Markets

Country	Value	M. Change	Y-To-D
DAMASCUS	4,121.61	26.71%	154.81%
SUDAN	3,555.41	4.52%	17.16%
EGYPT	14,342.38	3.27%	16.18%
KUWAIT	6,513.83	-2.48%	13.32%
TUNIS	6,104.53	-1.23%	11.22%
PALESTINE	569.76	0.35%	7.47%
CASABLANCA	12,373.04	1.92%	6.26%
BAHRAIN	1,276.69	-0.53%	4.61%
DUBAI	3,635.87	2.02%	2.97%
ABU DHABI	4,479.60	1.87%	-1.47%
AMMAN	2,089.83	-1.49%	-3.71%
SAUDI	6,934.37	-4.79%	-3.83%
BEIRUT	1,157.53	0.66%	-4.55%
IRAQ	566.14	-3.59%	-12.83%
MUSCAT	5,010.66	-2.47%	-13.35%
QATAR	8,165.06	-1.77%	-21.77%

Al Quds Index Companies

Company	Ticker	Currency	M. Cap. USD' Million	Price EOM	Monthly Change %	YTD Change%	Annual Turn Over Ratio	P/E
Arab Islamic Bank	AIB	US\$	131,467	1.78	(-3.26)	14.84	3.72	21.13
Arab Palestinian Investment	APIC	US\$	133,000	1.90	(-3.55)	0	23.36	11.13
Bank Of Palestine	BOP	US\$	498,000	2.49	0	(-6.04)	6.34	9.39
Birzeit Pharmaceuticals	BPC	US\$	92,514	5.00	(-2.91)	4.17	4.3	12.22
Palestine Islamic Bank	ISBK	US\$	144,900	2.10	(-1.87)	22.81	23.08	11.5
Jerusalem Pharmaceuticals	JPH	US\$	54,000	3.00	(-3.23)	66.67	17.51	17.7
National Insurance	NIC	US\$	38,400	3.20	2.24	0	4.93	9.44
Palestine Development & Inv.	PADICO	US\$	390,000	1.56	0	34.48	29.43	20.63
Palestine Telecommunications	PALTEL	JOD	853,984	4.60	(-1.08)	(-7.63)	8.15	7.56
Palestine Electric	PEC	US\$	80,400	1.34	7.2	(-0.74)	9.24	---
Palestine Industrial Investment	PIIC	JOD	60,825	2.30	0.88	4.55	1.51	8.93
Palestine Real Estate Investment	PRICO	JOD	44,966	0.50	(-3.85)	(-7.41)	13.82	---
Quds Bank	QUDS	US\$	133,333	1.95	0.52	62.5	15.46	12.73
The National Bank	TNB	US\$	135,000	1.80	0	(-5.26)	3.17	18.24
Wataniya Palestine Mobile Tel.	WATANIYA	US\$	299,280	1.16	11.54	33.33	3.77	---

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