

## Global Economic Development

- US Fed President Yellen argued that gradual rate hikes are still warranted even if inflation is not back to 2%.
- The Fed announced that quantitative tightening will begin in Oct based on caps for maturing securities. The initial cap for Treasuries that expire will be USD 6bn per month and will increase by further USD 6bn every 3 months over 12 months up to USD 30bn.
- The final estimate of Q2 US GDP growth was 3.1% qoq ann. Personal consumption was the main driver.
- US current account deficit in Q2 has increased by USD 9.6bn to USD 123.1bn.
- Initial jobless claims in the US fell by 23,000 to 259,000 and the 4-week moving average increased by 6,000 to 268,750, the highest since Jun of 2016.
- Eurozone inflation was 5% yoy in Sep unchanged from August Core inflation decelerated to 1.1% yoy, from 1.2% yoy in August.
- The Eurozone's Economic confidence indicator rose to 113 in Sep from 111.9 in August.
- UK retail sales unexpectedly rose 4% yoy (1% mom) in August vs 1.4% (0.6% mom) in Jul.
- S&P cut China's sovereign ratings to A+ from AA- with stable outlook citing heightened financial and economic risks.
- Japan's inflation rose to 0.7% yoy in August (the highest in over 2 years) from 0.4% in July.
- Japan's industrial production rose 1% in August after a 0.8% drop in Jul, with strong performances in most sectors.

## Local & Regional Economic Development

- Palestine deficit in the Current Account at the end of 2<sup>nd</sup> quarter totaled USD 467.4 million, an increase of 54.4% qoq, due to a decrease in compensations of the Palestinians working in Israel (16%) and current transfers of donors to government sector (53.5%).
- Palestine international investment position at the end of 2<sup>nd</sup> quarter 2017 amounted to about USD 1,102 million.
- Palestine exports increased in July, 2017 by 8.0% compared to June, 2017.

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

- The overall Producer Price Index (PPI) for Palestine decreased by 6.38% compared to July 2017.
- Egypt's foreign debt increased by 42% yoy to USD 79bn in the 2016-17 fiscal year that ended in Jun, according to the central bank.
- Egypt's expects to see a funding shortfall of USD 10-12bn in 2017-18 fiscal year.
- Moody's kept Kuwait's credit rating at Aa2 stable, with the country's score for economic strength High.
- Kuwait has been included in the emerging market list by FTSE.
- Inflation in Qatar fell 0.4% yoy in August.
- Saudi Arabia approved the VAT implementation regulations ahead of the introduction of VAT next year.
- Saudi Arabia plans to hike domestic prices for gasoline by around 80% from Nov, reported the Saudi Gazette.
- UAE's excise tax will be imposed starting of October and will increase fuel prices by between 4.95%-6.01%.
- The profitability of Islamic banks in the GCC will deteriorate in 2017 and 2018, according to S&P Global Ratings.
- The contribution of UAE's non-oil sector to GDP is expected to rise to 80% in four years from 70% currently.
- Jordan's will issue a USD 1bn Eurobond on international markets in October this year.
- Jordan expects to receive a further EUR 200mn as Macro-Financial Assistance from the European Union.
- Lebanon approved a new tax law to fund a public sector pay rise.

- PEX participated in the World Federation of Exchanges (WFE) Held in Bangkok, Thailand during September 06-08, 2017. Dr. Farouq Zuaiter, Chairman, and Mr. Ahmad Aweidah, CEO, represented PEX in the meetings. More than 300 delegates attended the Annual Meeting which contained a public program of 15 key note speeches and panel sessions, in addition to member-only sessions for the Working Committee and Board.
- PEX was also in the MEIRA 9<sup>th</sup> annual conference and awards held in Dubai, UAE on September 20<sup>th</sup>, 2017. Delegates from across the region and beyond attended the meeting which discussed several working papers pertaining to Investor relations. The bank of Palestine was awarded and named as the best IR Corporate in the LEVANT.

### Corporate News

- Al-Mashreq Insurance Company (MIC) announced the establishment of Baby Cord Company in cooperation with the Jordan Stem Cell Technology Bank. The new company will specialize in the separation, delivery and storage of stem cells. Baby Cord is the first company in Palestine in this field.
- The Bank of Palestine (BOP) was awarded and named the Best Investor Relation corporate in the LEVANT (Palestine, Jordan, and Lebanon) by the Middle East Investor Relations Association(MEIRA) 9<sup>th</sup> annual conference & awards.

### PEX Performance

#### Trading Summary

Details	Value	Month Change	YTD
Index close (points)	567.80	0.30%	7.10%
Trading value (US\$)	43,188,828	-18%	332,240,841
Trading volume	18,039,150	-44%	191,935,293
No. of transactions	3,983	-21%	39,999
Market Cap. (US\$)	3,815,586,388	0.09%	3,815,586,388

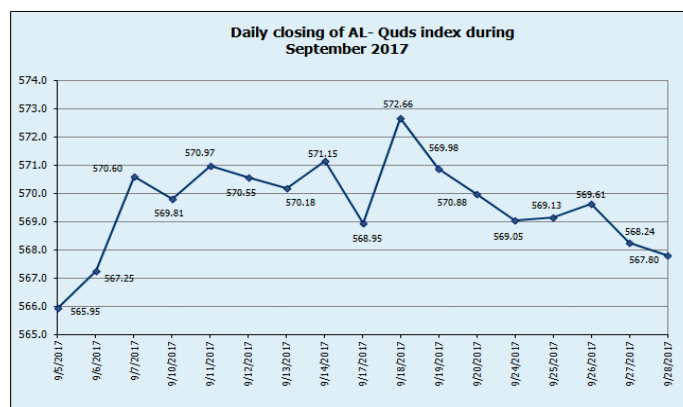
#### Key Indicators

No. of listed Companies	48
Subscribed Shares	1,803,883,654
Annual Turnover Ratio	12.99 %
Price earnings ratio (P/E)	13.50
Daily average value turnover (US\$)	2,540,519
Daily average Volume turnover	1,611,126

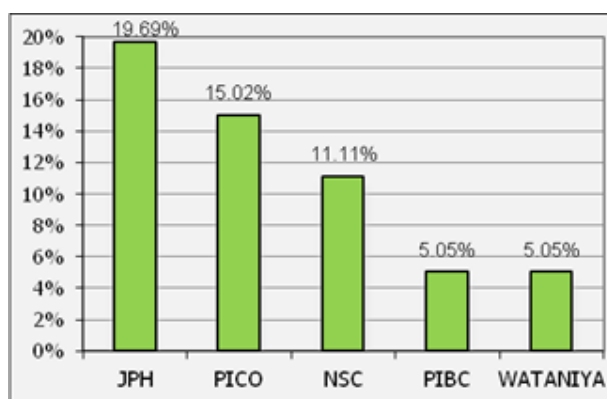
#### PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	567.80	0.30%
General	304.95	0.08%
Banking & Financial Serv.	156.22	0.64%
Industry	93.69	2.64%
Insurance	69.09	-0.50%
Investment	30.18	-2.20%
Services	44.01	0.43%

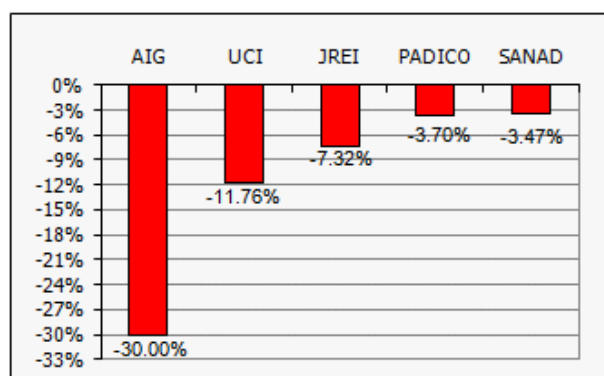
#### Al Quds Index



## Top Gainers



## Top Decliners



## Arab Markets

Country	Value	M. Change	Y-To-D
DAMASCUS	3,252.89	9.22%	101.10%
PALESTINE	567.80	0.30%	7.10%
AMMAN	2,121.52	-1.66%	-2.25%
BEIRUT	1,149.95	-1.00%	-5.18%
EGYPT	13,888.51	3.52%	12.50%
SUDAN	3,401.58	0.61%	12.09%
TUNIS	6,180.70	-2.59%	12.61%
CASABLANCA	12,140.47	-2.07%	4.26%
KUWAIT	6,679.73	-3.08%	16.21%
BAHRAIN	1,283.46	-1.46%	5.16%
SAUDI	7,283.01	0.29%	1.01%
DUBAI	3,563.99	-2.02%	0.94%
ABU DHABI	4,397.40	-1.59%	-3.28%
IRAQ	587.22	1.85%	-9.59%
MUSCAT	5,137.35	1.68%	-11.16%
QATAR	8,312.43	-5.55%	-20.35%

## 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\$	135.899	1.84	0.55	18.71	3.66	21.85
Arab Palestinian Investment	APIC	US\$	137.90	1.97	3.68	3.68	30.74	11.55
Bank Of Palestine	BOP	US\$	498	2.49	0.81	(-6.04)	14	9.39
Birzeit Pharmaceuticals	BPC	US\$	95.290	5.15	0	7.29	7.89	12.59
Palestine Islamic Bank	ISBK	US\$	147.66	2.14	(-3.17)	25.15	24.84	11.72
Jerusalem Pharmaceuticals	JPH	US\$	55.80	3.1	19.69	72.22	18.22	18.29
National Insurance	NIC	US\$	37.56	3.13	1.95	(-2.19)	4.43	9.23
Palestine Development & Inv.	PADICO	US\$	390	1.56	(-3.70)	34.48	29.67	20.63
Palestine Telecommunications	PALTEL	JOD	863.266	4.65	(-1.27)	(-6.63)	9.95	7.65
Palestine Electric	PEC	US\$	75	1.25	5.04	(-7.41)	8.17	---
Palestine Industrial Investment	PIIC	JOD	60.296	2.28	1.33	3.64	1.46	8.86
Palestine Real Estate Investment	PRICO	JOD	46.765	0.52	(-1.89)	(-3.70)	11.68	---
Quds Bank	QUDS	US\$	132.649	1.94	3.19	61.67	15.76	12.67
The National Bank	TNB	US\$	135	1.8	0	(-5.26)	3.68	18.24
Wataniya Palestine Mobile Tel.	WATANIYA	US\$	268.32	1.04	5.05	19.54	2.90	---

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