

Palestine Stock Exchange

Weekly Trading Brief (21-25)/09/2014

Palestine Stock Exchange Weekly Trading Brief

Palestine Stock Exchange is one step far from a global spread

There is no doubt that the eyes move, in 2014, with caution and hope in Palestine Stock Exchange PEX, given the unique entity of the Palestinian investment environment that is related to the local political situation, and by taking into account the PEX's ability to isolate itself once again from any regional variations. The PEX started the year 2014 strongly, recording positive indicators supported by optimism that stems from the fundamental indicators built into the PEX from years, which were enhanced by the distinguished performance of the listed companies, enriched by the growth in the dividends distribution, strengthened by investments holding and conservatism against all obstacles and enlarged by any close political solution. In conjunction with the sustainable performance' drivers of the PEX; hopes were raised to approach a merit for Palestine, following launching standalone indices by global companies in the last periods. While this week came with an announcement of a closer status. Palestine now is one step away from inclusion into Financial Times Stock Exchange FTSE Group, after meeting the required market criteria by the group and being added to the Watch List of Markets for possible addition- after one year- to Frontier Market Status.

The PEX has passed the market required market criteria by FTSE, which includes: the existence of formal stock market regulatory authority that actively monitor the market, non-incidence of foreign ownership restrictions, non-significant restriction applied to the investment of capital, rare incidence of failed trades, competitive implicit and explicit transaction cost, efficient trading mechanism and high transparency. Thus, Palestine is subject to inclusion on the group's indices in September 2015. Following this, inclusion on the Watch List will give greater momentum and wider global spread, given these indices' ability to attract international investors' attention and to prove the stock market's status on the international stocks' map. We might touch the positivity that will pour in the interest of the Palestinian Stock Market on the long run; nevertheless, this step crowns the resulted progress from the continuous development by the financial industry's related parties in Palestine, and reflects the hope journey in the investment feasibility in the Palestinian equities.

In another context, companies announce in this period dates for boards of directors' meetings to discuss the financial statements and operating results as a prelude to financial disclosure after the end of the month of September. In the midst of this week's trading, none of the companies' shares reported distinguished performance, while the decline in the shares of blue chips had the greatest impact in the closure of Al-Quds Index in the red zone. As for the liquidity indicator, trading value has increased following the execution of several deals in large volumes on the company's shares of Palestine Mortgage & Housing Corporation prior to the date of holding its Extraordinary General Assembly, which its agenda includes a discussion of transforming the company from public shareholding into private limited company.

Weekly Comparison

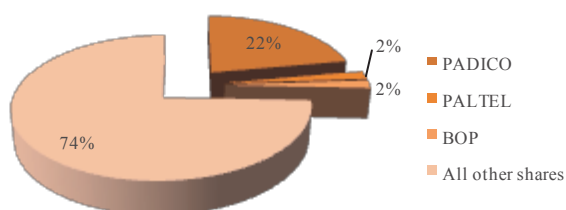
Item	Previous Week	This Week	Δ
Al Quds Index	513.02	510.76	-0.44%
# of transactions	481	631	31.19%
Trading Volume	1,454,679	5,005,622	244.10%
Trading Value	3,333,639	6,414,139	92.41%
Market Capitalization	3,180,386,005	3,170,381,201	-0.31%
Daily Average Trading Volume	290,936	1,001,124	244.10%

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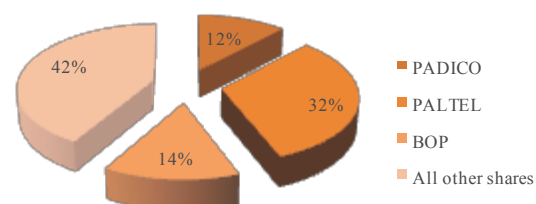
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Blue-chips Activity

Distribution of Blue-Chips by Trading Volume



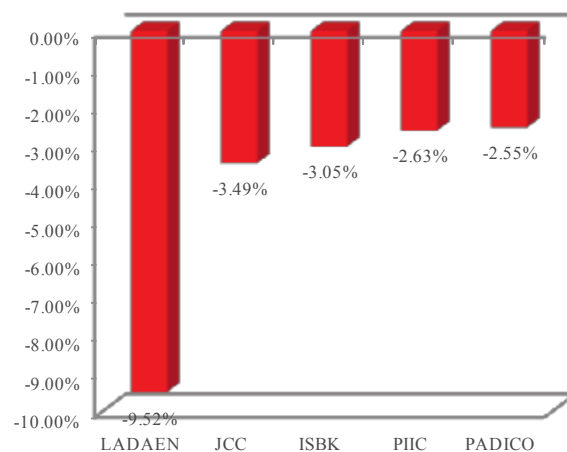
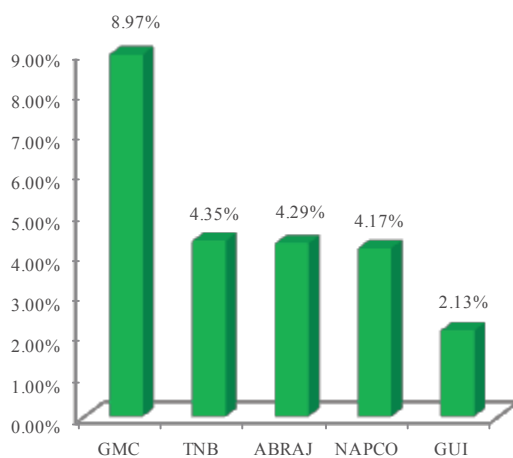
Distribution of Blue-Chips by Market Cap



Weekly Blue-chips Dynamics

Company	Bloomberg Quote	Weekly Closing	P/E	P/BV	Weekly Volume Weighted Price VWP	Weekly Trading Turnover	Daily Average Trading Value \$
Palestine Development & Investment \$	PADICO:PS	1.53	14.43	0.91	1.55	0.44%	343,866
Palestine Telecommunications JOD	PALTEL:PS	5.48	7.85	1.43	5.46	0.07%	140,321
Bank of Palestine \$	BOP:PS	2.82	10.44	1.68	2.80	0.05%	49,208

Top Gainers & Decliners



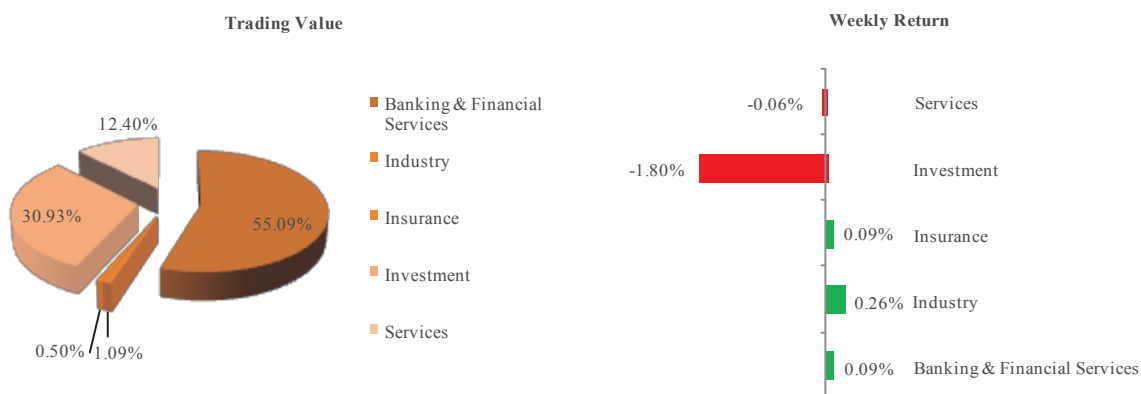
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Sectors Activity

Index/Sector	Previous	Closing	WTD	Trading Volume	Trading Value	Market Cap \$
Banking & Financial Services	119.11	119.22	0.09%	3,382,075	3,533,428	829,519,803
Industry	68.45	68.63	0.26%	34,570	69,605	277,621,207
Insurance	45.89	45.93	0.09%	27,827	32,147	103,301,000
Investment	28.29	27.78	-1.80%	1,376,198	1,983,837	593,839,597
Services	47.59	47.56	-0.06%	184,952	795,121	1,376,099,594

Sectors Distribution by Trading Value & WTD



Sector's Indices Dynamics

Index	High	Low	Discount to High	Premium to Low
Al Quds	513.77	509.75	-0.59%	0.20%
Banking	119.22	118.23	0.00%	0.84%
Industry	68.77	68.31	-0.20%	0.47%
Insurance	45.93	45.79	0.00%	0.31%
Investment	28.17	27.78	-1.38%	0.00%
Services	48.01	47.23	-0.94%	0.70%

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Al Quds Index Constituents: WTD & Weight

Company	Current Weight in Al-Quds Index	Closing	Δ
The National Bank	2.31%	1.20	4.35%
Palestine Real Estate Investment Company	2.08%	0.60	1.69%
Wataniya Palestine Mobile Telecommunications	7.76%	0.78	1.30%
Bank of Palestine	17.40%	2.82	0.36%
Birzeit Pharmaceutical Company	2.25%	3.15	0.00%
Al-Quds Bank	1.73%	0.90	0.00%
Palestine Electric Company	2.89%	1.25	0.00%
Palestine Telecommunications Company	39.22%	5.48	-0.36%
National Insurance	1.46%	3.15	-0.63%
Jerusalem Pharmaceuticals	1.24%	1.89	-1.05%
Arab Islamic Bank	2.12%	1.10	-1.79%
Palestine Development & Investment Company	14.75%	1.53	-2.55%
Palestine Industrial Investment Company	1.89%	1.85	-2.63%
Palestine Islamic Bank	2.45%	1.27	-3.05%
Jerusalem Cigarette Company	0.45%	0.83	-3.49%

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