

Palestine Stock Exchange

Weekly Trading Brief (12-15)/10/2014

Palestine Stock Exchange Weekly Trading Brief

General cautious optimism and anticipations for blue chips' data

Donors pledged to grant an amount that exceeded \$5 billion to reconstruct the Gaza Strip during the Gaza Rebuilding Conference that took place in Cairo-Egypt. Although this is considered an important international step, but the optimism is still filled with cautiousness either about proceeding to rebuild the Gaza Strip, or about what may follow of political impetus on both the Palestinian and Israeli parties to resume their negotiations. Following this, new efforts appeared within new political initiatives to resume the negotiations. At a particular level, Palestine Stock Exchange PEX hasn't deviated from its cautiousness within its characteristics that were imposed by investors through their conservatism following the variation in variables and drivers. The PEX has witnessed a horizontal performance for a period of time due to the general political situation with economic consequences and other related to the substantial news of the listed companies, especially the leading ones. The investors' conservatism to sell reflects their confidence in investment feasibility, while many categories among them wait to ride the purchase wave on the first positive political twist that all the Palestinian Capital Market's parties anticipate. This period witnesses anticipations for disclosing the financial results data of the listed companies for their investment and operating performance for the 9M 2014, whereby, the legal period granted the PEX for disclosures ends by the end of the current month.

Within the week's trading that was limited to four trading sessions following closing the PEX on Thursday due to the annual olive harvest season holiday, the transactions were relatively weak in terms of price movements and liquidity indicators. Al-Quds Index traded in a range of 5 points only, to end the week with slight decrease in parallel to a decline in both the shares of Palestine Telecommunications Company PALTEL and Palestine Development and Investment Company PADICO that was balanced by an increase in Bank of Palestine BOP. Regarding the liquidity indicators, the share of The National Bank TNB topped the PEX in terms of trading activity following executing an institutional transaction that exceeded 3 million shares at the end of the week, to constitute 68.7% of the PEX's total trading value during the week. It is worth mentioning that the bank finished its secondary subscription offering of 25 million shares worth \$25 million for the shareholders of the bank as for 27/08/2014.

Regarding the substantial news of the listed companies and their quarterly disclosure, The Arab Company for Paints Products APC disclosed its financial results, noting posting net income of JD0.65 million in 9M 2014 compared to JD0.66 million in the corresponding period of 2013. This slight decrease came following an increase in the selling and marketing expensed, leading to a reduction in the operating profits, despite a significant increase in net sales. Based on the provided financial date, the book value BV of the company hit JD1.98, and P/BV settled at 1.78x. On the other hand, other listed companies are expected to disclose their 9M financial data in the coming days after holding their board of directors BOD meetings.

Weekly Comparison

Item	*Previous Week	**This Week	Δ
Al Quds Index	513.73	512.62	-0.22%
# of transactions	169	368	117.75%
Trading Volume	451,292	4,259,947	843.94%
Trading Value	1,157,996	5,275,737	355.59%
Market Capitalization	3,192,351,983	3,183,411,844	-0.28%
Daily Average Trading Volume	225,646	1,064,987	371.97%

(*) two trading sessions.

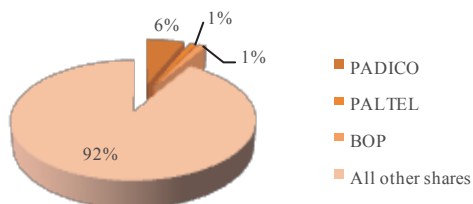
(**) four trading sessions.

Palestine Stock Exchange

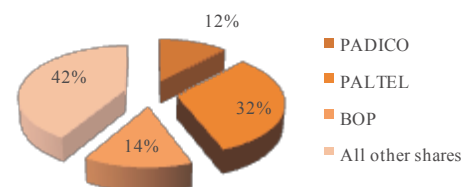
Weekly Trading Brief (12-15)/10/2014

Blue-chips Activity

Distribution of Blue-Chips by Trading Volume



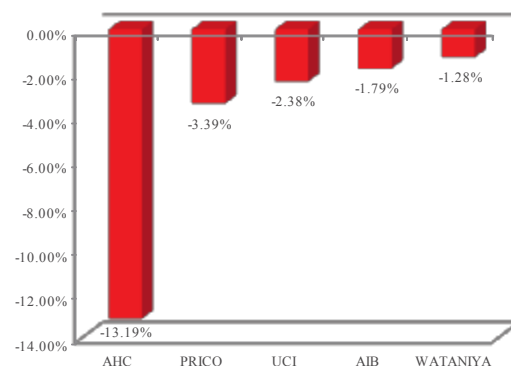
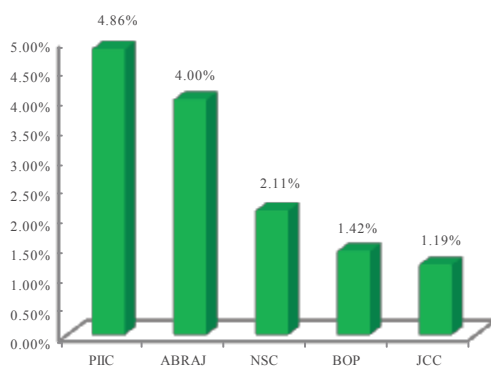
Distribution of Blue-Chips by Market Cap



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	1.54	0.10%	100,778
Palestine Telecommunications JOD	PALTEL:PS	5.51	7.89	1.44	5.55	0.04%	90,387
Bank of Palestine \$	BOP:PS	2.86	10.59	1.70	2.81	0.04%	40,414

Top Gainers & Decliners



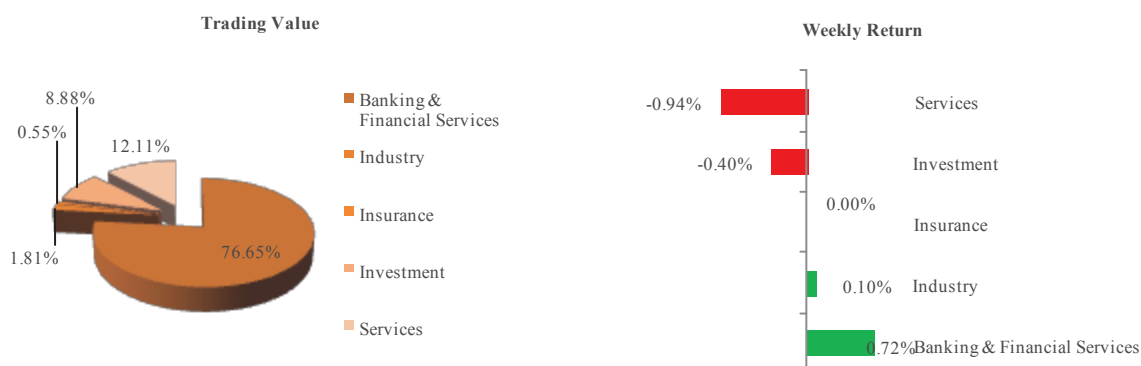
Palestine Stock Exchange

Weekly Trading Brief (12-15)/10/2014

Sectors Activity

Index/Sector	Previous	Closing	WTD	Trading Volume	Trading Value	Market Cap \$
Banking & Financial Services	119.38	120.24	0.72%	3,827,273	3,265,339	836,419,803
Industry	68.3	68.37	0.10%	237,093	76,940	276,525,682
Insurance	45.47	45.47	0.00%	30,506	23,607	102,281,000
Investment	27.84	27.73	-0.40%	506,038	378,151	592,921,721
Services	47.98	47.53	-0.94%	674,826	515,910	1,375,263,638

Sectors Distribution by Trading Value & WTD



Sector's Indices Dynamics

Index	High	Low	Discount to High	Premium to Low
Al Quds	514.8	511.67	-0.42%	0.19%
Banking	120.24	119.09	0.00%	0.97%
Industry	68.43	68.18	-0.09%	0.28%
Insurance	45.47	45.47	0.00%	0.00%
Investment	27.92	27.73	-0.68%	0.00%
Services	48.04	47.53	-1.06%	0.00%

Palestine Stock Exchange

Weekly Trading Brief (12-15)/10/2014

Al Quds Index Constituents: WTD & Weight

Company	Current Weight in Al-Quds Index	Closing	Δ
Palestine Industrial Investment Company	1.97%	1.94	4.86%
Bank of Palestine	17.58%	2.86	1.42%
Jerusalem Cigarette Company	0.46%	0.85	1.19%
Birzeit Pharmaceutical Company	2.26%	3.18	0.95%
The National Bank	2.32%	1.21	0.83%
Palestine Islamic Bank	2.46%	1.28	0.79%
Palestine Electric Company	2.88%	1.25	0.00%
National Insurance	1.45%	3.15	0.00%
Palestine Development & Investment Company	14.69%	1.53	-0.65%
Palestine Telecommunications Company	39.30%	5.51	-0.72%
Jerusalem Pharmaceuticals	1.20%	1.83	-1.08%
Al-Quds Bank	1.71%	0.89	-1.11%
Wataniya Palestine Mobile Telecommunications	7.63%	0.77	-1.28%
Arab Islamic Bank	2.11%	1.10	-1.79%
Palestine Real Estate Investment Company	1.97%	0.57	-3.39%

Palestine Stock Exchange

Weekly Trading Brief (12-15)/10/2014

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