

Palestine Stock Exchange

Weekly Trading Brief (02-06)/11/2014

Palestine Stock Exchange Weekly Trading Brief

Total companies' profits drop by 9% following the Gaza war

Within the financial results variation of the economic sectors that constituent Palestine Stock Exchange PEX in 9M 2014, the total profits of the listed companies decreased by 9.03% in 9M 2014 compared to the corresponding period of 2013. The decline followed the effects and repercussions of the war on Gaza during the third quarter of this year, whereby caused direct and indirect damages to some leading companies and their subsidiaries in Gaza Strip. In the first nine months of the year 2014, 70% of the listed companies reported profits, while 83% of them either recorded profits or reduced their losses. In the same context, most of the companies maintained promising financial performance, especially after recording noticeable growth rates for the few previous years and first half of 2014. Moreover, the anticipation is undoubtedly increasing for Q4 2014, in the hope of improving the effectible companies' performance, to achieve better results that may be reflected on Al-Quds Index and trading activity in the PEX. On the other hand, the negative figures were reflected in the PEX's performance this week, as a natural reaction especially from small investors and speculators. However, there is no doubt that some long term investors' categories are conservative to sell, due to the different investment decisions' basis. During the week's trading, Al-Quds Index decreased by -1.93%, chiefly affected by a decrease of -13.29% in PADICO's stock price that closed at levels that hadn't been witnessed since November 2013. Regarding the liquidity, executing an institutional transaction on the share of the National Bank TNB increased the PEX's trading value in this week, while, other companies witnessed medium trading.

Within expectations, Palestine Development and Investment Company PADICO – the largest investment company by market capitalization that has the biggest investment network and is most exposed to the local economy in general; as being a leader in most Palestinian investment sectors- announced reporting \$16.69 million net income attributable to the shareholders of the parent company in 9M 2014; down by 23.61% compared to the same period of 2013. This decrease directly reflects the damages that were caused by the Israeli occupation on the company's investments. According to the income statement of PADICO, the recorded operating revenues from PADICO's subsidiaries in H1 2014 formed a base for the cumulative revenues recorded at the end of September 2014. Despite a 19.02% decrease in operating revenues in the three months ended in 30 September 2014, but the nine months figure slightly increased by 1.46%. On the other hand, PADICO's stake from associates profits declined by 4.17% following the decrease in Palestine Telecommunications PALTEL's net income due to the damages that followed the company in the latest Gaza war that were disclosed as losses and expenses. The effectible factor on PADICO was the significant increase in expenses which limited the profitability levels in many companies and projects due to realizing fixed expenses that cannot be faced, versus affecting the operating revenues in some sectors, especially the tourism sector. On the other hand, the CEO of PADICO said that the company is moving forward in investment and development plans, and in completing and developing their existing projects: Rabyet Alquds Residential project, Jericho Gate Project, Nakheel Palestine Project and Palestine Power Generation Company.

Weekly Comparison

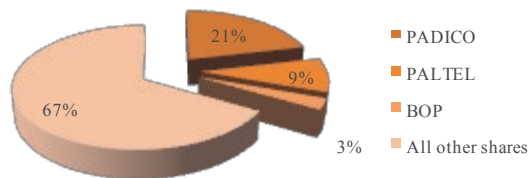
Item	Previous Week	This Week	Δ
Al Quds Index	500.59	490.95	-1.93%
# of transactions	544	672	23.53%
Trading Volume	1,182,292	3,791,372	220.68%
Trading Value	2,393,343	6,963,850	190.97%
Market Capitalization	3,143,179,171	3,095,604,342	-1.51%
Daily Average Trading Volume	236,458	758,274	220.68%

Palestine Stock Exchange

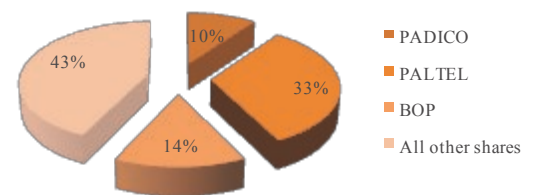
Weekly Trading Brief (02-06)/11/2014

Blue-chips Activity

Distribution of Blue-Chips by Trading Volume



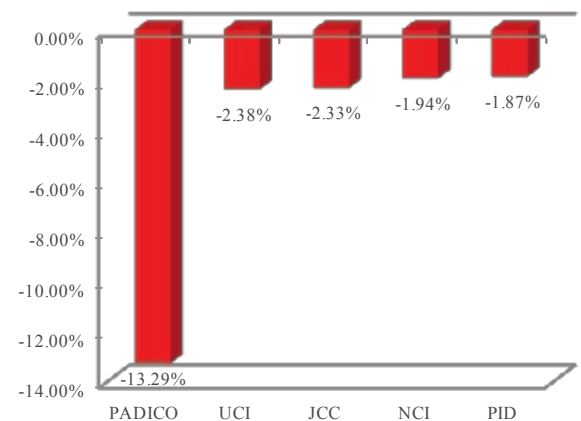
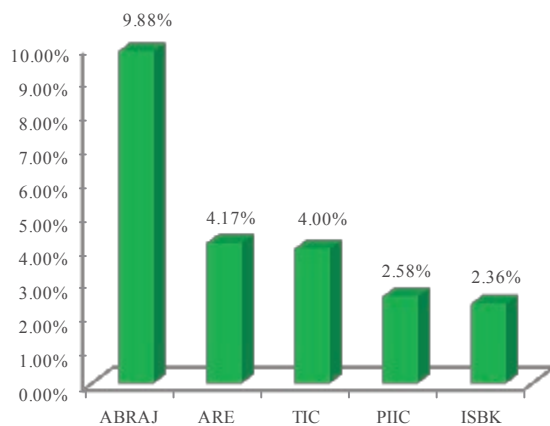
Distribution of Blue-Chips by Market Cap



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	1.24	11.70	0.74	1.35	0.32%	218,006
Palestine Telecommunications JOD	PALTEL:PS	5.44	7.79	1.42	5.44	0.26%	529,845
Bank of Palestine \$	BOP:PS	2.80	10.37	1.67	2.79	0.07%	61,664

Top Gainers & Decliners



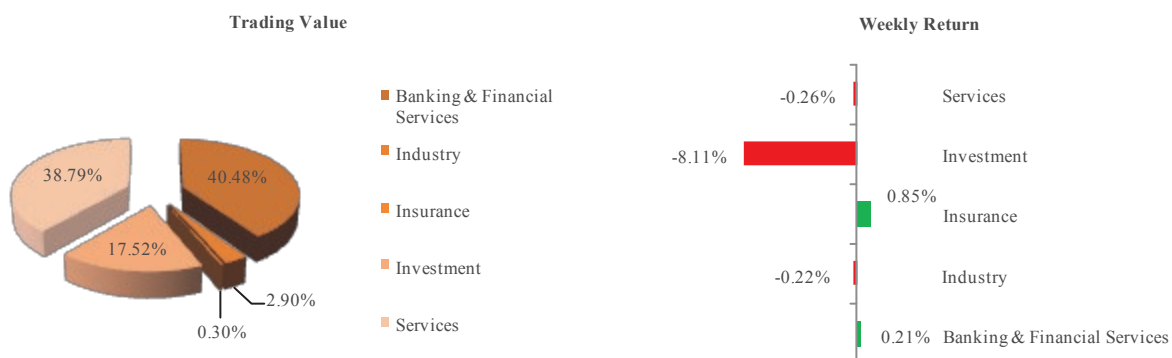
Palestine Stock Exchange

Weekly Trading Brief (02-06)/11/2014

Sectors Activity

Index/Sector	Previous	Closing	WTD	Trading Volume	Trading Value	Market Cap \$
Banking & Financial Services	118.26	118.51	0.21%	2,317,761	2,819,061	849,822,776
Industry	68.01	67.86	-0.22%	68,679	202,117	274,497,162
Insurance	45.74	46.13	0.85%	51,973	21,206	103,736,000
Investment	26.5	24.35	-8.11%	941,082	1,219,842	520,820,881
Services	46.75	46.63	-0.26%	411,877	2,701,623	1,346,727,523

Sectors Distribution by Trading Value & WTD



Sector's Indices Dynamics

Index	High	Low	Discount to High	Premium to Low
Al Quds	503.01	490.95	-2.40%	0.00%
Banking	118.96	118.3	-0.38%	0.18%
Industry	67.86	67.82	0.00%	0.06%
Insurance	46.13	45.92	0.00%	0.46%
Investment	26.9	24.35	-9.48%	0.00%
Services	47.14	46.61	-1.08%	0.04%

Palestine Stock Exchange

Weekly Trading Brief (02-06)/11/2014

Al Quds Index Constituents: WTD & Weight

Company	Current Weight in Al-Quds Index	Closing	Δ
Palestine Industrial Investment Company	2.09%	1.99	2.58%
Palestine Islamic Bank	2.58%	1.30	2.36%
Palestine Real Estate Investment Company	2.04%	0.57	1.79%
National Insurance	1.50%	3.15	1.61%
Al-Quds Bank	1.83%	0.92	1.10%
Arab Islamic Bank	2.22%	1.12	0.90%
Bank of Palestine	17.80%	2.80	0.00%
Jerusalem Pharmaceuticals	1.22%	1.80	0.00%
Wataniya Palestine Mobile Telecommunications	7.48%	0.73	0.00%
Palestine Telecommunications Company	40.12%	5.44	-0.18%
Birzeit Pharmaceutical Company	2.32%	3.15	-0.32%
The National Bank	3.21%	1.14	-0.87%
Jerusalem Cigarette Company	0.47%	0.84	-2.33%
*Palestine Electric Company	2.81%	1.18	- - -
Palestine Development & Investment Company	12.31%	1.24	-13.29%

(*) PEC's stock was floated in its first session after trading resume on 03/11/2014.

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