

Weekly Trading Report [12-16/05] 2013

“Al Quds Index closes at the level of 451.82 points”

“PADICO” approves 5% cash dividends & “TNB” raises its capital to \$75 million

The impact of cash dividends distributions on the blue-chips is still obvious; when Al-Quds Index is fluctuating – in different disparity- based on the degree of post dividends exit momentum, depending on the companies that approved the distribution and their weighting in the Index. In parallel with the lack of liquidity and the weak speculative movements on a number of shares, important support levels were noticed on the shares of the companies that dropped following the dividends distribution, in which previously had rebounded from, amid routinely anticipation that never absents from Palestine Stock Exchange PEX’s atmosphere regardless of the available incentives. The attention is dragged to the coming period which historically is ambiguous in terms of substantial news after the end of the dividends distribution season, pending for a positive turning point which may be the start of a reverse direction, especially with the investors’ decisions not to abandon their investments within the prevailing price levels.

By the end of the GA meetings season for the listed companies, the GA of the largest investment company by market capitalization- Palestine Development & Investment Company PADICO- approved, in its ordinary meeting, distributing 5% cash dividends for the company’s shareholders as of 14/05/2013, to record dividends yield of 5.43% and payout ratio of 65% according to the EPS attributable for shareholders of the parent in 2012. During the GA meeting, the CEO of PADICO referred to the company’s medium-term plan for the years between 2013 and 2017, in which refers to maintaining and developing the current investments, continuing the in-progress projects especially in the energy & infrastructure sectors, and enhancing the performance and profitability of the current projects. He also noted that the executive management- directed by the BOD-developed an ambitious budget for the year 2013 that aims to decrease the general & administrative expenses by 24% and continue to decrease the company’s debt in the few coming years in order to enhance the financial liquidity. Moreover, the CEO also noted that implementing this plan will enhance the growth of profits for the company from year to year, to meet the shareholders’ expectations of continuous annual dividends distribution especially that the new projects will be generating profits in the year 2013.

Within the core news of the week, the GA of the National Bank TNB approved, in its extraordinary GA meeting, raising the authorized capital from \$50 million to \$75 million and delegating the BOD to determine the mechanism of capital increase and the needed timeline to cover this increase. According to a press release of the bank, the capital increase came to correspond with the future needs of the bank to meet its strategic vision to occupy an advanced position between the Palestinian Banks. It is good to note that the year 2012 witnessed a radical shift in the banking entity of TNB in which turned itself to an integrated and competitive commercial bank to meet the needs of a large segment of customers in an integrated manner. In the banking sector, the GA of Al-Quds Bank QUDS held a meeting during this week with a routine agenda of GA meetings without taking any dividends distributing decision.

Regarding the PEX’s trading, the decrease in PADICO’s share price following the dividends distribution decision was the main reason for the decline in Al-Quds Index, while, the share topped the PEX in terms of trading volume when reached 1.03 million shares, contributing 40.76% of the PEX’s total trading volume, to end this week at the level of \$0.85; down by 7.61%. Regarding the other leading shares, the share of Palestine Telecommunications PALTEL slightly decreased by 0.21% to close at the level of JD4.79 through transactions worth \$0.81 million. Moreover, the share of Bank of Palestine BOP declined by 0.71% to close at the level of \$2.80 through transactions worth \$1.02 million.

Weekly Report

Market Indices & Top Gainers

Index/ PEX	Opening	Closing	Change
Al Quds	455.33	451.82	-0.77%
Banking & Financial Services	107.56	107.11	-0.42%
Industry	62.3	63.09	1.27%
Insurance	45.06	45.01	-0.11%
Investment	18.76	17.87	-4.74%
Services	45.67	45.61	-0.13%

Symbol	Opening	Closing	Change
TIC	1.04	1.09	4.81%
APC	2.45	2.55	4.08%
BPC	2.69	2.78	3.35%
GMC	0.82	0.84	2.44%
JCC	1.26	1.29	2.38%
PRICO	0.59	0.60	1.69%

Summary of the Week Performance

Item	Current Week	Last Week	Change Ratio	Daily Average of this Week	Daily average of 2012	Change Ratio
# of Shares	2,519,925	3,311,377	-23.90%	503,985	591,583	-14.81%
Value in USD	3,524,463	3,758,191	-6.22%	704,893	1,098,154	-35.81%

Most Active Companies This Week

Company Name	# of Traded Shares	Total value (USD)	Open Price	Close Price	% Change	52 Weeks Price	
						High	Low
BOP	366,407	1,020,782	2.82	2.80	-0.71%	3.33	2.57
PADICO	1,027,231	945,913	0.92	0.85	-7.61%	1.00	0.82
PALTEL	119,238	805,693	4.80	4.79	-0.21%	5.30	4.40
JCC	106,279	191,320	1.26	1.29	2.38%	1.31	0.99
ISBK	138,815	139,853	1.01	1.01	0.00%	1.08	0.78
AIG	388,698	74,266	0.21	0.19	-9.52%	0.27	0.18
WATANIYA	44,684	48,273	1.08	1.08	0.00%	1.30	1.07
PEC	33,814	43,655	1.29	1.30	0.78%	1.40	1.14
GCOM	150,713	38,929	0.27	0.26	-3.70%	0.52	0.25
PIIC	22,966	37,416	1.18	1.17	-0.85%	1.40	1.00

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