

Weekly Trading Report [26-30/10]2014

"Al Quds Index closes at the level of 500.59 points"

Gains from financial investments partially offset PALTEL's losses in Gaza

Within the expectations, the 9M financial data disclosures witnessed, in this week, a momentum coinciding with the end of the legal period granted by Palestine Stock Exchange PEX for the listed companies to disclose their financial data for the first nine months of 2014. On the other hand, the PEX didn't witness any noticeable activity following the routine breath catching period. The anticipation accelerated for disclosing the recorded net income of the leading companies, to measure the impact of the latest Gaza war on the companies' operations during July and August of 2014. In this context, and prior to the 9M financial data disclosure of Palestine Telecommunications Company PALTEL, the CEO of the company expects an increase in the gains from its financial investments this year to offset the \$30 million of losses caused by Israel's bombardment of Gaza in the summer, whereby, \$30 million of losses equate to nearly a quarter of the company's 2013 net profit, which include: network damage, lost in revenues plus loss in free credit to subscribers and humanitarian aid. According to a release by the executive management, the cellular network is now normally operating, but for the fixed network, it's difficult unless there's a big plan for rebuilding Gaza. The CEO also expects fostering the company's investments in the telecommunications sector, which include 25% ownership in Jordan's V-Tel that posted a 49% rise in revenues last year.

On the other hand, Palestine Telecommunications Company PALTEL announced posting net income of JD65.21 million in 9M 2014 compared to JD68.56 million in the corresponding period of 2013; down by 4.88%. This slight decrease came to oppose the negative expectations of investors regarding the financial data that will be disclosed by the company. The earned revenues in H1 2014 contributed in forming an essential base for the accumulated revenues till the end of September 2014. Despite a decrease of 2.99% in the revenues recorded in the period from the last three months, but gross revenues increased by 0.94% due to the direct cost controlling policy. Then again and according to the expectations of the executive management of PALTEL, the gains from financial investments positively diluted the effects of other costs and losses that was realized in the income statements due to Gaza war, whereby, PALTEL recorded revenues of JD4.54 million after improving the reassessment the investment portfolio, in addition to an increase in the dividends distribution yields. Furthermore, the book value BV of PALTEL increased to JD3.88 in 9M 2014, While, it recorded P/BV of 1.40x.

Regarding the financial data disclosure of the companies that were affected from the latest Gaza war, Palestine Electric Company PEC announced reporting net income of \$1.35 million in 9M 2014 compared to \$8.25 million in 9M 2013. This significant decrease came following realizing net loss of \$5.71 million in Q3 2014 that ends on 30/09/2014, in which erased the posted profits in H1 2014. This followed a decrease in the electric power generation through the power station due to the company's exposure to Israeli bombardment during July 2014, leading to damages in the power station and operation stoppage, whereby, regarding the financial data appeared as loss from disposal of assets worth \$5.53 million. It is worth mentioning that the company's stock is still halted from trading based of the company's management request, to maintain the investors' interests.

Weekly Report

Market Indices & Top Gainers

Index/ PEX	Opening	Closing	Change
Al Quds	505.69	500.59	-1.01%
Banking & Financial Services	118.01	118.26	0.21%
Industry	68.25	68.01	-0.35%
Insurance	45.58	45.74	0.35%
Investment	26.94	26.5	-1.63%
Services	47.33	46.75	-1.23%

Symbol	Opening	Closing	Change
AIG	0.13	0.16	23.08%
GCOM	0.09	0.10	11.11%
QUDS	0.87	0.91	4.60%
AHC	0.70	0.73	4.29%
UCI	0.41	0.42	2.44%
PRICO	0.55	0.56	1.82%

Summary of the Week Performance

Item	Current Week	Last Week	Change Ratio	Daily Average of this Week	Daily average of 2013	Change Ratio
# of Shares	1,182,292	6,644,671	-82.21%	236,458	842,182	-71.92%
Value in USD	2,393,343	16,533,098	-85.52%	478,669	1,414,001	-66.15%

Most Active Companies This Week

Company Name	# of Traded Shares	Total value (USD)	Open Price	Close Price	% Change	52 Weeks Price	
						High	Low
PALTEL	130,104	1,005,411	5.49	5.46	-0.73%	6.77	5.11
BOP	183,007	509,578	2.77	2.80	1.08%	3.30	2.77
PADICO	156,423	227,836	1.47	1.43	-2.72%	1.87	0.98
QUDS	209,335	188,496	0.87	0.91	4.60%	1.06	0.80
APIC	110,939	121,563	1.09	1.08	-0.92%	1.40	1.04
NIC	26,000	81,850	1.47	1.43	-2.72%	3.60	3.10
BPC	23,827	75,283	3.15	3.16	0.32%	3.25	2.81
TNB	43,235	50,798	1.20	1.15	-4.17%	1.38	0.90
AIG	166,832	24,367	0.13	0.16	23.08%	0.18	0.12
GUI	11,632	22,101	1.91	1.90	-0.52%	2.10	1.40

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