

## Global Economic Development

- Wall Street closed in the green on Monday 31 December 2018 to book a loss for the year, recording its worst annual performance in a decade amidst a government shutdown, trade policy uncertainty and a slowing economy.
- US economy advanced an annualized 3.4% qoq in Q3 2018, slightly below earlier estimates of 3.5%.
- US Federal Reserve raised the target range for the federal funds rate by 25bps to 2.25-2.5 percent during its December meeting and lowered forecasts for interest rate hikes in 2019 amid recent volatility in financial markets and slowing global growth.
- Germany's annual inflation rate is expected to ease to an eight-month low of 1.7% in December 2018 from 2.3 % in the previous month.
- German shares post biggest annual fall of 18.3% in 2018, the steepest annual drop since a more than 40% plunge in 2008.
- Bank of England holds rates on BREXIT uncertainty.
- UK Q3 GDP annual growth confirmed at 1.5%.
- UK stocks post biggest fall in 10 years: The FTSE 100 dropped more than 12% in 2018, suffering its biggest one-year fall since the financial crisis in 2008.
- French Shares Plunge 11% in 2018 amid concerns about the US-China trade war and slowing economic growth around the globe.
- Japan jobless rate rises to 2.5% in November.
- Japan stocks post 1st annual decline of 12.1% in 2018, its first yearly decline since 2011.
- Hong Kong shares post biggest annual loss of 13.6% in 2018, the biggest fall since 2011.
- Chinese stocks plunge 25% in 2018, the worst performance since 2008 amid trade tensions between China and the US and a slowdown in Chinese economy.
- South Korea exports fall unexpectedly by 1.2% yoy to USD 48.46 billion in December of 2018.
- Singapore GDP grew an annual 2.2% in the December quarter of 2018, below market expectations of a 2.7%.
- India's fiscal deficit widened to INR 7.17 trillion in April-November 2018 from INR 6.12 trillion in the same period of the previous fiscal year.
- Turkey tourist arrivals rise 19% yoy to 1,966 million in November.

## Local & Regional Economic Development

- Palestine 2018 preliminary estimates indicate a slowdown in GDP to reach 0.7% and a decrease in per capita to 1.50%.
- Palestine trade gap largest, up 10% to USD 409.6 million, yoy in November 2018.
- Palestine GDP annual growth shrinks 0.5% in Q3.
- Palestine Q3 current account gap widened to USD 444.7 million yoy in Q3 2018.
- Palestine CPI decreased 0.36% mom in November.

Palestine Key Economic Indicators					
	2013	2014	2015	2016	2017
Population ('000)	4,421	4,550	4,682	4,867	4,950
Real GDP Change	2.2	-0.2	3.4	4.1	3.2
Real Per Capita GDP Change	-0.8	-3.1	0.4	1.2	0.1
Inflation Rate	1.72	1.73	1.43	-0.22	0.21
Unemployment rate	23.4	26.9	25.9	26.9	27.40

- The central bank of Egypt left its key overnight deposit rate steady at 16.75% on December as expected.
- Lebanon inflation rate at 7-month low of 5.83% yoy in November 2018.
- Saudi Arabia's gross domestic product advanced 2.47% yoy in Q3 2018.
- Saudi Arabia raised the official repo rate by 25bps to 3.00% on December 2018.
- Qatar's trade surplus jumped to QAR 16.2 billion in November of 2018.
- Qatar raised its deposit interest rate by 25bps to 2.5% on December.
- Kuwait Annual inflation rate eased to 0.1% in November of 2018.
- Kuwait Holds Interest Rate at 3%.
- Bahrain GDP annual growth rate slows to 1.6% qoq in Q3 2018.
- Bahrain Hikes Rates on the one-week deposit facility by 25 bps to 2.75% on December.
- UAE Annual inflation rate in eased to 1.3% in November of 2018.
- UAE Central Bank raised its key rate by 25 bps to 2.75% on December.
- Iran inflation rate rises to 39.9% mom in November 2018, the highest in 5-year.
- Morocco annual inflation rate slows to 1.3% in November.
- Tunisia producer inflation rate slows to 8.8% yoy in October 2018.



- **Palestine Exchange Modifies Al-Quds Index composition for the year 2019, the modification** to take affect as of the 2<sup>nd</sup> of January, 2019. The index includes 15 out of 48 listed companies. The selected companies present 75.90% of total Market Cap as of the 18<sup>th</sup> of December 2018. The 2019 Al-Quds index includes the following listed companies:

	Sector	Company	Trading Symbol
1.	Banking & Financial Services	Bank of Palestine	BOP
2.		The National Bank	TNB
3.		Palestine Islamic Bank	ISBK
4.		Palestine Investment Bank	PIBC
5.		Al-Quds Bank	QUDS
6.	Insurance	Ahliea Insurance Group	AIG
7.	Investment	Palestine Development & Investment	PADICO
8.		Arab Palestinian Investment	APIC
9.		Palestine Real Estate Investment	PRICO
10.		Union Construction & Investment	UCI
11.	Industry	Jerusalem Pharmaceuticals	JPH
12.		Birzeit Pharmaceuticals	BPC
13.	Services	Palestine Telecommunications	PALTEL
14.		Palestine Electric	PEC
15.		Wataniya Palestine Mobile Telecommunications	OOREDOO

Trading Summary

Details	Value	Month Change	YTD
Index close (points)	529.35	0.42%	-7.87%
Trading value (US\$)	17,780,528	77.35%	353,476,019
Trading volume	7,980,855	-5.50%	185,070,060
No. of transactions	1,780	4.46%	35,030
Market Cap. (US\$)	3,734,921,019	0.21%	3,734,921,019

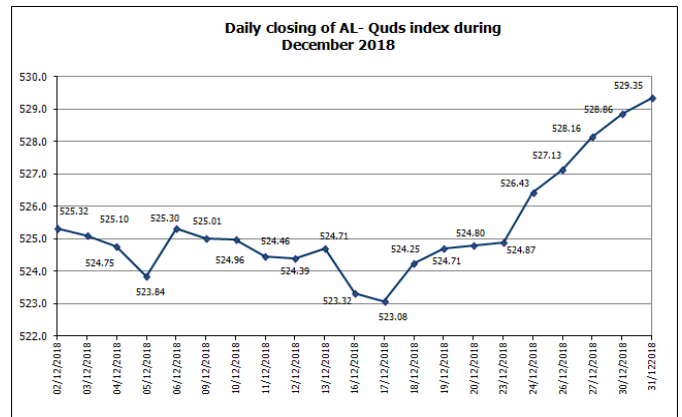
Key Indicators

No. of listed Companies	48
Subscribed Shares	1,896,726,915
Annual Turnover Ratio	9.76 %
Price earnings ratio (P/E)	12.83
Daily average value turnover (US\$)	846,692
Daily average Volume turnover	380,040

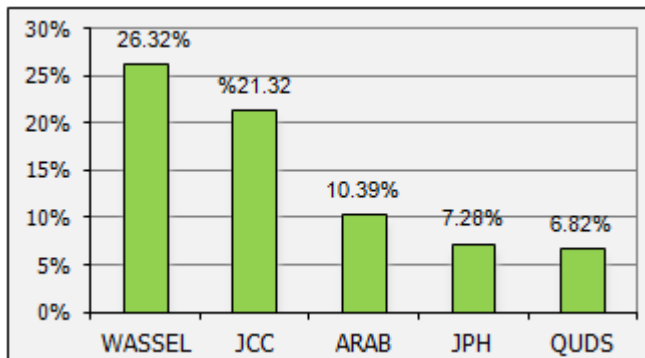
PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	529.35	0.42%
General	293.02	0.21%
Banking & Financial Serv.	150.03	0.85%
Industry	98.64	1.16%
Insurance	90.76	1.18%
Investment	28.18	-0.56%
Services	40.10	-0.35%

Al Quds Index



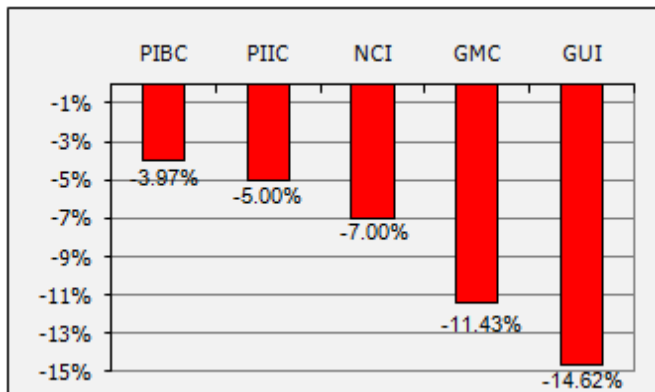
Top Gainers



Arab Markets Indices

Country	Value	M. Change	Y-To-D
QATAR	10,299.01	-0.63%	20.83%
TUNIS	7,271.65	-0.44%	15.76%
ABU DHABI	4,915.07	3.04%	11.75%
SAUDI	7,826.73	1.61%	8.31%
DAMASCUS	6,190.12	-0.52%	3.47%
BAHRAIN	1,337.26	0.64%	0.42%
PALESTINE	529.35	0.42%	-7.87%
CASABLANCA	11,364.31	1.20%	-8.27%
AMMAN	1,908.81	2.45%	-10.25%
IRAQ	510.12	2.43%	-12.13%
EGYPT	13,035.77	-2.13%	-13.21%
BEIRUT	976.75	-0.43%	-14.96%
MUSCAT	4,323.74	-2.00%	-15.21%
KUWAIT	5,267.36	-0.95%	-17.80%
DUBAI	2,529.75	-5.21%	-24.93%

Top Decliners



## Al Quds Index Companies

Company	Ticker	Currency	M. Cap. USD' Million	Price EOM	Monthly Change %	YTD Change%	P/E
Arab Islamic Bank	AIB	US\$	117,750	1.57	-3.68	-10.80	18.39
Ahliea Insurance Group	AIG	US\$	15,600	0.39	0.00	62.50	5.91
Arab Palestinian Investment	APIC	US\$	192,700	2.35	2.17	18.69	11.04
Bank Of Palestine	BOP	US\$	464,000	2.32	0.43	-12.45	8.59
Golden Wheat Mills	GMC	JOD	13,117	0.62	-11.43	-22.50	6.29
Palestine Islamic Bank	ISBK	US\$	136,900	1.85	4.52	-13.95	9.42
Jerusalem Pharmaceutical	JPH	US\$	58,320	3.24	7.28	-0.61	9.46
Wataniya Palestine Mobile Telecommunications	OOREDOO	US\$	240,260	0.82	-2.38	-21.15	---
Palestine Development & Investment	PADICO	US\$	320,000	1.28	0.00	-14.67	64.46
Palestine Telecommunications	PALTEL	JOD	802,003	4.32	-0.23	-5.68	8.06
Palestine Electric	PEC	US\$	81,600	1.36	1.49	4.62	9.44
Palestine Real Estate Investment	PRICO	JOD	38,671	0.43	-2.27	-14.00	---
Quds Bank	QUDS	US\$	157,113	1.88	6.82	-11.32	14.05
The National Bank	TNB	US\$	127,500	1.7	0.00	-7.61	13.85
Union Construction and Investment	UCI	US\$	19,200	0.6	-3.23	-13.04	28.22

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