

Global Economic Development

- US GDP estimates expanded by 2% qoq annually in Q1, down from 2.3%. Due to disappointing consumer spending.
- US trade goods deficit in May shrunk by USD 2.5bn to USD 64.8bn.
- US initial claims for unemployment benefits reached 227,000 from 218,000, but remain historically low.
- EU Inflation rate touched 2% yoy in June vs 1.9% in May.
- German inflation slowed back to 2.1% yoy in June from 2.2% in May.
- German industrial production unexpectedly tumbled -1% mom in April, involving all economic sectors.
- German current account surplus surged to EUR 22.7bn in April from EUR 16.7bn a year earlier.
- UK current account shrunk to GBP 17.7bn in Q1 from GBP 19.5bn in Q4
- Russian inflation was stable at 0.4% mom in May.
- Turkey's central bank raised its rate by 125 bps to 17.75% to counter mounting inflation.
- Turkish inflation surged to 12.15% yoy in May from 10.85% in April.
- Japan's unemployment rate unexpectedly declined to 2.2% mom in May.
- Japan's current account surplus was slightly lower at JPY 1.84tn in April compared to JPY 1.98tn a year earlier.
- China's trade balance shrunk to USD 24.9bn in May from USD 40.5bn in May 2017.
- Taiwan's inflation in May declined to 1.6% yoy from 2% in April.
- India hiked its policy rate by 25 bps to 6.25% in response to strong GDP (7.7% yoy) and higher inflation.

Local & Regional Economic Development

- Palestine PPI increased by 0.37% compared in May 2018.
- Palestine IPI decreased of 3.34% in April 2018.
- Palestine International investment position amounted to about USD 1,054 million at Q1 2018.
- Palestine Gross External Debt on the economic sectors reached USD 1,640 million at Q1 2018.
- Palestine total stocks of Foreign Liabilities (Stocks of non-residents invested in Palestine) amounted to USD 5,157 million at Q1 2018.
- Palestine Current Account Deficit in Q1 2018 is USD 442.1 million.
- Bahrain's S&P rating affirmed B+/B given the potential financial support from its neighbouring nations.
- Egypt's current account deficit narrowed to USD 1.93bn in Q3 of the 2017-18 fiscal year.
- Egypt's net foreign reserves increased to USD 44.14bn at end-May.
- Egypt's net volume of foreign direct investments declined by 20.8% yoy to USD1.9bn in Q2 2017-18.
- Egypt's revenue from Suez Canal increased to around USD 5.1bn during the July 2017-April 2018 period.
- Jordan's new government promised to withdraw the controversial income tax law.
- Jordan's trade deficit narrowed by 5% in H1 this year.
- Jordan's unemployment rate increased by 0.2% yoy to 18.4% in Q1 2018.
- Kuwait's GDP grew by 1.6% in Q1 this year.
- Oman's budget deficit decreased -51.7% yoy by end of Q1.
- Oman's non-oil exports surged 33.6% yoy to OMR 272.1mn in Jan, from OMR 203.6mn.
- Qatar's PMI increased to 52.4 in May.
- Inflation in Saudi Arabia eased to 2.3% yoy in May.
- Saudi Arabia began listing and trading on government debt instruments worth SAR 8.95bn (USD 2.39bn) last month.
- Three major Japanese banks are expected to become operational in Saudi Arabia by October this year.
- Saudi tourists spent SAR 78bn (USD 21.25bn) overseas in 2017, down 20% yoy.
- Saudi Arabia and UAE announced a 5-year unified vision and 44 joint projects at the first meeting of the Saudi-Emirati Coordination Council.
- Inflation in Abu Dhabi edged down to 3.2% in May.
- Abu Dhabi announced an AED 50bn (USD 13.6bn) economic stimulus package for the emirate, to support economic growth over the next three years.
- Dubai's FDI increased by over 7% yoy to AED 27.3bn (USD 7.4bn) in 2017.
- UAE expatriates' deposits increased to AED 191bn (USD 52bn) in April, accounting for 11.5% of total deposits in the UAE's central bank.
- UAE airports served 53.7mn passengers in January-May this year.

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



- **PEX listed companies total dividends distributed on shareholders grew 10% for the year 2017 and reached USD 193m**, maintaining an increased pace despite the geopolitical conditions in Palestine and the region.

25 companies (52%) managed to distribute dividends for the 2017, 15 of which distributed cash dividends only while one company dividends were in stock only and the remaining 9 companies dividends were in cash and stock. Cash dividends total was USD 159,871,593 an increase of 4.5% comparing to 2016 while stock dividends value was USD 33,236,244, an increase of 50% comparing to 2016.

Ahmad Aweidah, CEO of PEX, expressed his satisfaction saying that these figures reflect steadiness in the companies' performance which will increase investors' confidence. He added that with these dividends PEX return on investment for 2017 reached 5.54%, much higher than interest offered by the banking sector and competitive in comparison to other regional markets.

- **Palestine Exchange starts the account administration services electronically**, services includes account opening, changing account status and updating existing accounts will be executed through PEX electronic platform "BPM" which was developed internally to streamline PEX operations.

Corporate News

- Palestine Investment bank company (PEX: PIBC) appointed Mr. Sameeh Sbaih as deputy GM. He will be acting GM after Mr. Issa Qassis contract end in June, 24th 2018.
- Wataniya Palestine Mobile Telecom (PEX: Wataniya) secondary public offering stocks of 4,176,632 were added raising the company subscribed shares to 293 million.
- Sanad construction resources (PEX: SANAD) stock dividends of 5% were distributed to shareholders raising the company subscribed shares to 69.30 million.

Trading Summary

Details	Value	Month Change	YTD
Index close (points)	540.67	0.28%	-5.90%
Trading value (US\$)	21,393,928	4.07%	243,065,005
Trading volume	10,078,307	-5.03%	119,481,792
No. of transactions	2,661	-7.83%	20,196
Market Cap. (US\$)	3,784,396,651	-0.13%	3,784,396,651

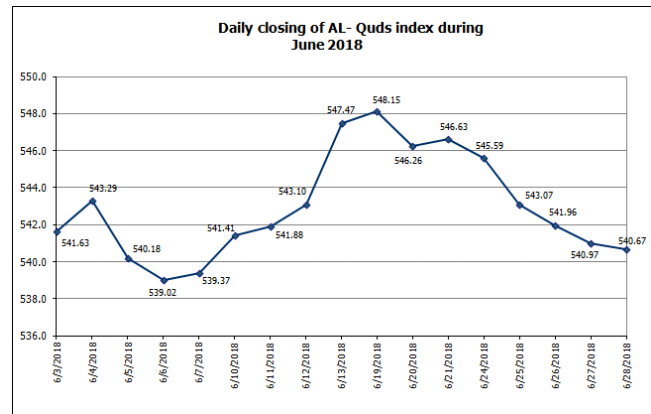
Key Indicators

No. of listed Companies	48
Subscribed Shares	1,881,369,848
Annual Turnover Ratio	15.79 %
Price earnings ratio (P/E)	13.00
Daily average value turnover (US\$)	1,258,466
Daily average Volume turnover	592,841

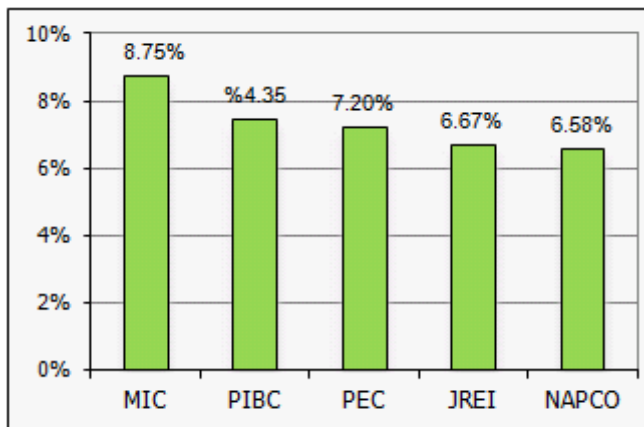
PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	540.67	-0.28%
General	299.37	-0.22%
Banking & Financial Serv.	156.86	0.00%
Industry	99.63	-1.80%
Insurance	84.17	3.38%
Investment	28.96	-0.96%
Services	40.70	0.02%

Al Quds Index



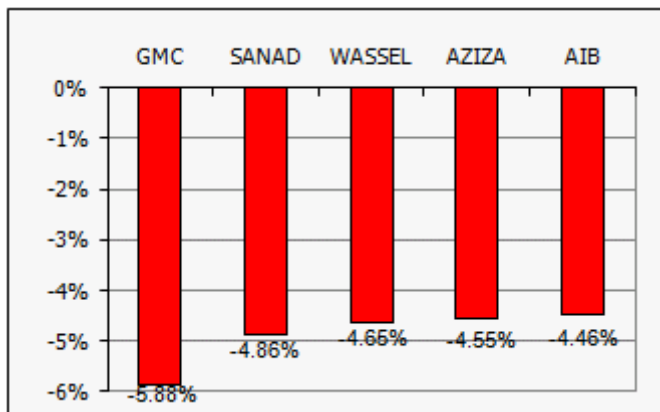
Top Gainers



Arab Markets Indices

Country	Value	M. Change	Y-To-D
TUNIS	8,059.10	5.83%	28.29%
SAUDI	8,314.19	1.88%	15.05%
SUDAN	4,620.79	1.44%	9.96%
EGYPT	16,348.55	-0.40%	8.85%
QATAR	9,024.03	1.62%	5.87%
ABU DHABI	4,560.03	-0.98%	3.67%
IRAQ	579.06	-2.48%	-0.25%
BAHRAIN	1,310.99	3.57%	-1.56%
AMMAN	2,070.44	-1.22%	-2.65%
CASABLANCA	11,878.65	-3.70%	-4.12%
DAMASCUS	5,673.84	0.42%	-5.16%
PALESTINE	540.67	-0.28%	-5.90%
BEIRUT	1,048.79	-4.97%	-8.69%
MUSCAT	4,571.75	-0.76%	-10.35%
DUBAI	2,821.00	-4.83%	-16.29%
KUWAIT	4,904.82	4.57%	-23.46%

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\$	112.50	1.50	(-4.46)	(-14.77)	17.57
Ahliea Insurance Group	AIG	US\$	10.80	0.27	0.00%	12.50	4.09
Arab Palestinian Investment	APIC	US\$	168.00	2.24	4.19	13.13%	9.62
Bank Of Palestine	BOP	US\$	500.00	2.50	0.00%	(-5.66)	9.26
Golden Wheat Mills	GMC	JOD	16.93	0.80	(-5.88)	0.00%	8.12
Palestine Islamic Bank	ISBK	US\$	142.82	1.93	(-1.03)	(-10.23)	9.83
Jerusalem Pharmaceutical	JPH	US\$	55.80	3.10	(-3.13)	(-4.91)	9.05
Palestine Development & Investment	PADICO	US\$	330.00	1.32	(-1.49)	(-12.00)	66.48
Palestine Telecommunications	PALTEL	JOD	809.43	4.36	0.23	(-4.80)	8.14
Palestine Electric	PEC	US\$	80.40	1.34	7.20	3.08%	9.30
Palestine Real Estate Investment	PRICO	JOD	39.57	0.44	(-4.35)	(-12.00)	---
Quds Bank	QUDS	US\$	145.91	1.94	(-1.02)	(-8.49)	13.05
The National Bank	TNB	US\$	131.25	1.75	1.16	(-4.89)	14.26
Union Construction and Investment	UCI	US\$	14.08	0.44	2.33	(-36.23)	20.70
Wataniya Palestine Mobile Telecommunications	WATANIYA	US\$	254.91	0.87	(-2.25)	(-16.35)	---

Palestine Exchange (PEX) undertakes all the reasonable efforts to ensure that data included in this newsletter was correct at the time of publication. However, PEX shall not be responsible or liable for decisions taken or system-related or other activity performed by any part based on this newsletter.