

Global Economic Development

- US Federal Reserve raised the target range for the federal funds rate by 25bps from 2% to 2.25% during its September 2018 meeting, in line with market expectations.
- US GDP growth confirmed at 4.2% in Q2.
- US Jobless Rate Down to Near 49-Year Low of 3.7%.
- US personal spending rises the least in 6 Months at 0.3% from a month earlier in August 2018.
- EU unemployment rate falls to near 10-year low to 8.1% in August 2018 from the previous month's figure of 8.2% and below 9% a year earlier.
- EU Inflation Rate Climbs Above 2%.
- EU trade surplus declined to EUR 17.6 billion in July of 2018 from EUR 21.6 billion a year earlier and compared with market expectations of EUR 18 billion.
- ECB confirms halting QE program reduced to €15 billion from September to December 2018, and will then end.
- EU economy expanded 0.4% on quarter in the three months to June 2018.
- EU Q2 GDP Growth Confirmed at 0.4%.
- UK GDP expanded 1.2% year-on-year in the second quarter of 2018.
- UK inflation rose to an annual rate of 2.7% in August 2018 from 2.5% in the previous month.
- The Bank of England voted unanimously to leave the Bank Rate unchanged at 0.75% on September.
- UK unemployment rate held steady at 4% in the three months to July 2018, a 43-year low.
- Germany unemployment rate was unchanged at a near 38-year low of 3.4 % in August 2018.
- Japan jobless rate below forecasts in August to 2.4% in August of 2018 from 2.5% in the previous month.
- Japan's inflation rose to 1.3% year-on-year in August 2018 from 0.9% in the previous month.
- BOJ left shorter-term interest rates unchanged at -0.1%.
- China's inflation rose to a six-month high of 2.3% year-on-year in August of 2018 from 2.1% in the previous month and slightly above market consensus of 2.2%.

Local & Regional Economic Development

- Palestine net international investment position amounted to about USD 1,492 million.
- Palestine PPI decreased by 1.12% & CPI decreased by 0.02% during August.
- Palestine Exports increased by 12.1% & Imports increased by 10.7% mom in July.
- Palestine overall IPI reached 104.58 an increase of 12.08% mom in July.
- Palestine preliminary estimates at constant prices showed a decrease of 1.3% Q-o-Q in GDP in Q2, 2018.
- IMF applauded Egypt on showing "strong signs of recovery" under the 3-year reform plan.
- Egypt announced that it will no longer be importing natural gas.
- Jordan sent its latest draft tax bill to the parliament: the new law raises personal income thresholds and reintroduces personal exemptions in a bid to soften the impact on the middle class.
- Saudi Arabia inflation remained flat at 2.2% yoy in August.
- Aramco's CEO stated that the IPO has been postponed till the majority stake acquisition in Sabic is complete.
- Kuwaiti's employees in the public sector reached 244,162 in the fiscal year 2017-18 and compares to expatriate staff at 44,572.
- Oman foreign direct investment (FDI) surged 16.8% yoy at end-Q2 to OMR 9.7bn.
- Bahrain's GCC counterparts are planning a 5-year aid package of USD 10bn to support the country's financing needs.
- Qatar's investments in the UK touched USD 50bn, revealed the Lord Mayor of London.
- UAE gross bank assets increased to AED 2.8trn (USD 762bn) by end-Aug, rising 4% from end-2017.
- UAE raised fuel prices for Oct: petrol prices increased by 0.8% mom while diesel costs were up 4.5%.
- Five GCC members (excluding Oman) will become eligible for inclusion in JPMorgan's emerging-market bonds indexes from end-January.

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



- **Palestine Exchange listed companies profits grew 6% in the First half of 2018:** first half financial results showed that aggregated net profits amounted to USD 166,720,060 an increase of 6% compared with the same period of 2017. Thirty eight of forty eight listed companies achieved a net profit of USD 170,758,090 an increase of 5.44% comparing to the same period in 2017, the eight loss making companies recorded a total loss of 4,038,030 USD a decrease of 16% comparing to last year. Two companies failed to disclose within the set deadline. To view detailed table of H1/2018 disclosures, please visit: <http://www.pex.ps/PSEWEBSITE/NEWS/FS-Q2-2018-Disclosure-English.pdf>

Corporate News

- Al Quds Bank (PEX: QUDS) private subscription stocks were added to shareholders raising the bank subscribed shares to 83,570,667.

Trading Summary

Details	Value	Month Change	YTD
Index close (points)	528.81	-1.51%	-7.97%
Trading value (US\$)	27,135,381	45.20%	312,615,784
Trading volume	14,565,313	7.18%	160,402,306
No. of transactions	3,250	17.97%	29,269
Market Cap. (US\$)	3,718,699,632	-1.06%	3,718,699,632

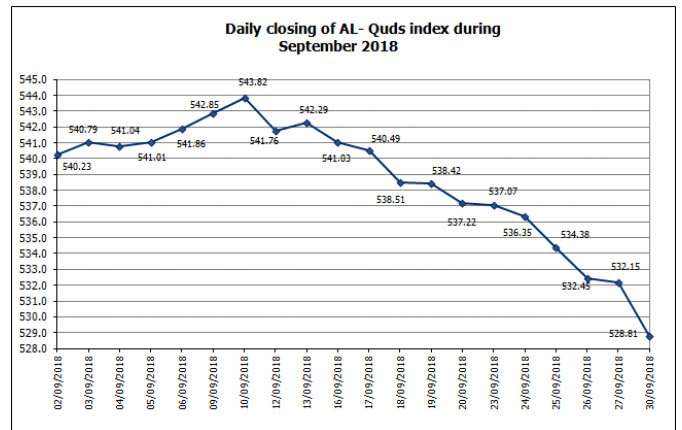
Key Indicators

No. of listed Companies	48
Subscribed Shares	1,889,726,915
Annual Turnover Ratio	12.68 %
Price earnings ratio (P/E)	12.78
Daily average value turnover (US\$)	1,356,769
Daily average Volume turnover	728,266

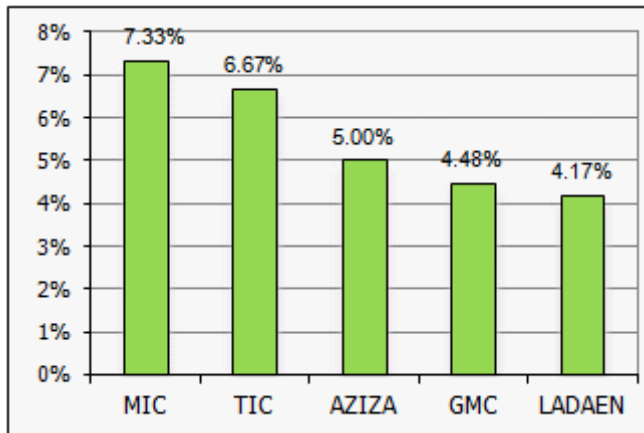
PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	528.81	-1.51%
General	293.00	-1.46%
Banking & Financial Serv.	151.73	-2.79%
Industry	98.21	-0.12%
Insurance	86.88	-4.33%
Investment	28.28	-1.05%
Services	39.93	-0.40%

Al Quds Index



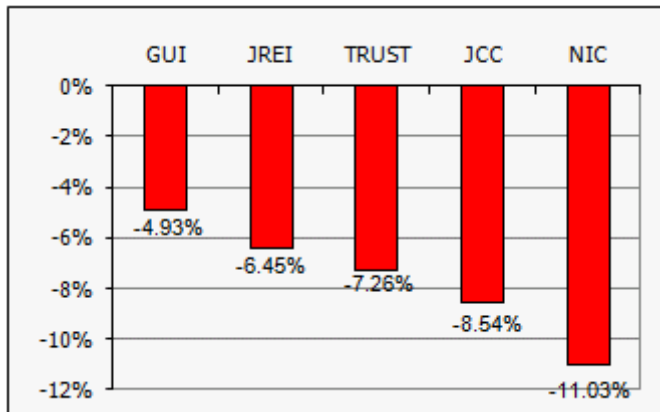
Top Gainers



Arab Markets Indices

Country	Value	M. Change	Y-To-D
SUDAN	12,371.64	1.32%	194.39%
TUNIS	7,802.20	-7.32%	24.20%
QATAR	9,813.32	-0.74%	15.13%
ABU DHABI	4,935.37	-1.03%	12.21%
SAUDI	7,999.54	0.65%	10.70%
DAMASCUS	6,205.05	2.38%	3.72%
BAHRAIN	1,338.55	0.03%	0.51%
EGYPT	14,623.46	-8.66%	-2.63%
AMMAN	1,975.63	-0.51%	-7.11%
PALESTINE	528.81	-1.51%	-7.97%
IRAQ	532.11	-5.22%	-8.34%
CASABLANCA	11,335.55	-1.83%	-8.50%
MUSCAT	4,543.68	2.82%	-10.90%
BEIRUT	971.69	-3.56%	-15.40%
DUBAI	2,834.95	-0.18%	-15.88%
KUWAIT	5,343.91	1.56%	-16.61%

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\$	122,250	1.63	0.00	(-7.39)	19.09
Ahliea Insurance Group	AIG	US\$	15,200	0.38	2.70	58.33%	5.76
Arab Palestinian Investment	APIC	US\$	172,500	2.30	(-1.29)	16.16%	9.88
Bank Of Palestine	BOP	US\$	476,000	2.38	(-3.25)	(-10.19)	8.81
Golden Wheat Mills	GMC	JOD	14,810	0.70	4.48	(-12.50)	7.10
Palestine Islamic Bank	ISBK	US\$	135,420	1.83	(-2.66)	(-14.88)	9.32
Jerusalem Pharmaceutical	JPH	US\$	55,800	3.10	0.00	(-4.91)	9.05
Palestine Development & Investment	PADICO	US\$	317,500	1.27	(-2.31)	(-15.33)	63.96
Palestine Telecommunications	PALTEL	JOD	800,146	4.31	0.23	(-5.90)	8.04
Palestine Electric	PEC	US\$	80,400	1.34	(-2.90)	3.08%	9.30
Palestine Real Estate Investment	PRICO	JOD	40,470	0.45	(-2.17)	(-10.00)	---
Quds Bank	QUDS	US\$	148,756	1.78	(-3.78)	(-16.04)	13.30
The National Bank	TNB	US\$	126,750	1.69	(-2.87)	(-8.15)	13.77
Union Construction and Investment	UCI	US\$	19,520	0.61	0.00	(-11.59)	28.69
Wataniya Palestine Mobile Telecommunications	WATANIYA	US\$	240,260	0.82	(-1.20)	(-21.15)	---

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