

## Global Economic Development

- US GDP advanced an annualized 4.2% in Q2, slightly higher than a preliminary reading of 4.1% and beating market forecasts of 4 percent.
- US Fed's FOMC meeting minutes reiterated the plan to hike rates twice before year's end, probably in September and December.
- US corporate profits increased by USD 47.3 bn, or 2.4 percent, to an all-time high of USD 2,012.6 bn in Q2.
- US initial claims for unemployment benefits rose from 210,000 to 213,000.
- Canada GDP Expands 0.7% in Q2.
- Eurozone Inflation Rate Slows to 2% in August.
- Eurozone unemployment rate came in at 8.2 percent in July. The lowest in near 10 years.
- Germany's GDP growth was confirmed at 0.5% qoq (2% yoy) in Q2 up from 0.4% in Q1.
- Italy Q2 GDP Growth Confirmed at Near 2-Year Low at 0.2 %.
- Greece is out of the rescue program and regained access to international markets, but the public debt remains elevated at 180% of GDP.
- Turkey unemployment rate fell to 9.7% in May 2018 from 10.2% a year earlier.
- Turkey annual inflation rate increased to 15.85% in July from 15.35% in June.
- Japan core inflation rose 0.8% yoy in July pushed by energy prices.
- Japan unemployment rose to 2.5% in July from 2.4 percent in June.
- China's consumer price inflation rose to a four-month high of 2.1% yoy in July from 1.9% in June.
- Indian economy grew 8.2% yoy in Q2, the highest in two years.
- India's fiscal deficit widened to INR 5.4 trillion in April-July 2018 from INR 5.05 trillion in the same period of the previous fiscal year.

## Local & Regional Economic Development

- Palestine Government 2017 total expenses were USD 4,983.7 million and total revenues USD 4,764.6 million, out of which 15.4% are foreign grants and aids.
- Palestine PPI increased by 1.39% mom in July 2018.
- Palestine exports & Imports decreased by 15% & 10.9% respectively mom in June.
- Palestine CPI increased 0.04% mom in July.
- Palestine IPI decreased 5.22% mom in June.
- Egypt's unemployment rate declined to 9.9% in Q2 this year.
- Egypt hopes to attract USD 11bn in foreign direct investment in the 2018-19 fiscal year, up from USD 7.9bn a year ago.
- Egypt exports increased by only 21.6% yoy to USD 6.75bn in Q3 of 2017-18.
- Egypt's central bank kept its overnight interest rates and lending rates unchanged at 16.75% and 17.75% respectively.
- Moody's raised its outlook on Egypt government's long-term issuer status to positive from stable.
- Iran resumed exporting 200 to 250 megawatt of electricity to Iraq, Afghanistan and Pakistan.
- Kuwait Inflation rose by 0.2% mom and 0.8% yoy in July.
- Kuwait plans to privatize three sectors, including the postal and telecom segments, by end-2018.
- Kuwait current account surplus increased to its highest in three years, posting a surplus of USD 5.88bn in Q1 2018.
- Around 11,851 Kuwaitis are on the waiting list for employment, with women accounting for 77.3% of the total.
- Oman Foreign Direct Investment (FDI) jumped 28.8% yoy to OMR 1.12bn in 2017.
- Oman Private deposits at commercial banks rose 1.5% yoy to OMR 12.57bn as at the end of May.
- Oman's nominal GDP surged 6.5% yoy to OMR 7.034bn (USD 18.27bn) in Q1.
- Qatar and Turkey central banks have signed a currency swap agreement to provide liquidity and support financial stability.
- Qatar-based Barwa Bank merger with the International Bank of Qatar will result in an entity with combined assets of QAR 80bn, which will in turn account for 6% of the overall banking market.
- Saudi Arabia's Public Investment Fund raised a USD 11bn loan from banks to be used for "general corporate purposes".
- Saudi Arabia's Aramco IPO had been called off.
- Saudi Arabia's trade surplus widened by 160.7% yoy to SAR 61.34bn (USD 16.4bn) in June.
- Saudi inflation is expected to rise in Q3. Inflation was up 2.3% yoy in Q2.
- Saudi Arabia is expected to generate SAR 22.2bn (USD 6bn) revenue from tourism this year.
- UAE and Qatar ranked 21<sup>st</sup> and 25<sup>th</sup> globally in the International Property Rights Index.
- UAE's Dubai Financial Services Authority (DFSA) and the Monetary Authority of Singapore (MAS) signed a Fintech agreement.
- UAE bank lending growth slowed to 3.2% yoy in July, down from 3.4% in June.
- Dubai inflation increased to 2.2% yoy in July, up from 1.32% in June.

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 extends the semi annual financial disclosure deadline to finish on September 1<sup>st</sup>**; the extension was based on the consent of the Capital Market Authority, in response to Palestine Auditors Association request, to give listed companies more time to comply with standard 9 of the International Financial Reporting Standards, which started this year.

Trading Summary

Details	Value	Month Change	YTD
Index close (points)	536.90	-0.02%	-6.56%
Trading value (US\$)	18,688,583	-21.23%	285,480,403
Trading volume	13,590,203	6.46%	145,836,993
No. of transactions	3,755	-10.20%	26,019
Market Cap. (US\$)	3,758,508,629	0.10%	3,758,508,629

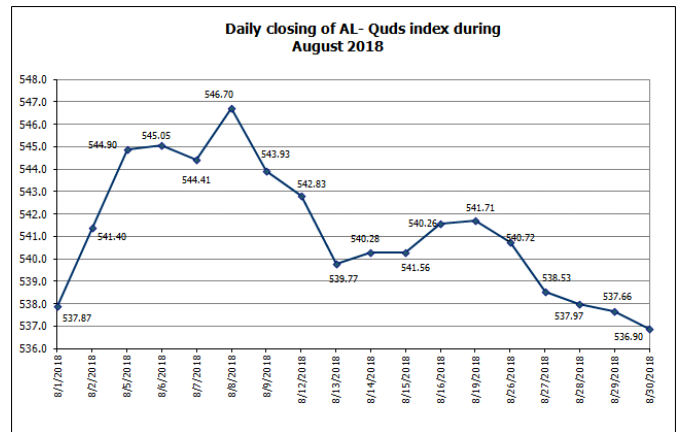
Key Indicators

No. of listed Companies	48
Subscribed Shares	1,881,369,848
Annual Turnover Ratio	12.92 %
Price earnings ratio (P/E)	12.91
Daily average value turnover (US\$)	1,038,255
Daily average Volume turnover	755,011

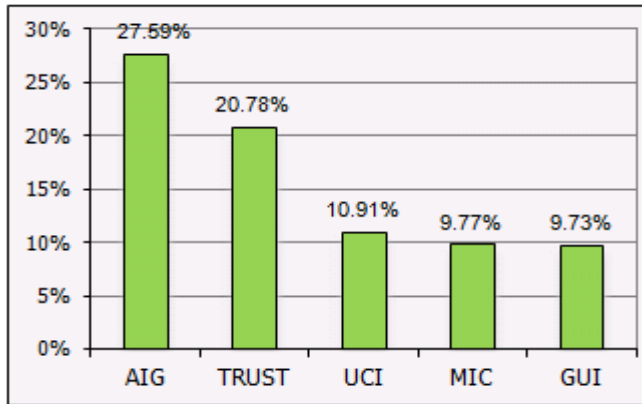
PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	536.9	-0.02%
General	297.34	0.11%
Banking & Financial Serv.	156.09	-0.65%
Industry	98.33	-1.26%
Insurance	90.81	10.18%
Investment	28.58	0.14%
Services	40.09	-0.27%

Al Quds Index



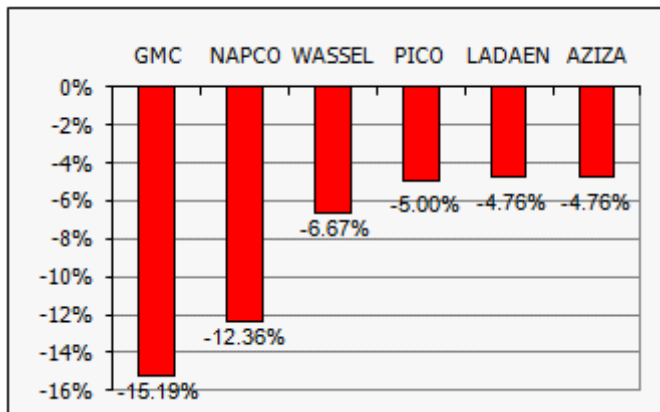
Top Gainers



Arab Markets Indices

Country	Value	M. Change	Y-To-D
SUDAN	12,209.96	0.05%	190.55%
TUNIS	8,418.49	0.12%	34.01%
QATAR	9,886.45	0.62%	15.99%
ABU DHABI	4,986.88	2.62%	13.38%
SAUDI	7,948.25	-4.18%	9.99%
EGYPT	16,009.41	2.75%	6.59%
DAMASCUS	6,061.01	9.63%	1.31%
BAHRAIN	1,338.10	-1.49%	0.48%
IRAQ	561.44	-3.61%	-3.29%
PALESTINE	536.90	-0.02%	-6.56%
AMMAN	1,985.81	-1.10%	-6.63%
CASABLANCA	11,546.49	-1.70%	-6.80%
BEIRUT	1,007.56	-3.11%	-12.28%
MUSCAT	4,419.27	1.91%	-13.34%
DUBAI	2,840.16	-3.92%	-15.72%
KUWAIT	5,261.82	-0.66%	-17.89%

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	1.87	(-7.39)	19.09
Ahliea Insurance Group	AIG	US\$	14,800	0.37	27.59	54.17%	5.61
Arab Palestinian Investment	APIC	US\$	174,750	2.33	0.87	17.68%	10.01
Bank Of Palestine	BOP	US\$	492,000	2.46	(-0.81)	(-7.17)	9.11
Golden Wheat Mills	GMC	JOD	14,175	0.67	(-15.19)	(-16.25)	6.8
Palestine Islamic Bank	ISBK	US\$	139,120	1.88	0.00	(-12.56)	9.57
Jerusalem Pharmaceutical	JPH	US\$	55,800	3.10	0.00	(-4.91)	9.05
Palestine Development & investment	PADICO	US\$	325,000	1.30	1.56	(-13.33)	65.47
Palestine Telecommunications	PALTEL	JOD	798,290	4.30	(-1.15)	(-6.11)	8.03
Palestine Electric	PEC	US\$	82,800	1.38	2.99	6.15%	9.58
Palestine Real Estate Investment	PRICO	JOD	41,369	0.46	(-2.13)	(-8.00)	---
Quds Bank	QUDS	US\$	139,145	1.85	(-2.63)	(-12.74)	12.45
The National Bank	TNB	US\$	130,500	1.74	0.58	(-5.43)	14.18
Union Construction and Investment	UCI	US\$	19,520	0.61	10.91	(-11.59)	28.69
Wataniya Palestine Mobile Telecommunications	WATANIYA	US\$	243,190	0.83	1.22	(-20.19)	---

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.