

Global Economic Development

- US Fed's Chairman reaffirmed the commitment to normalize interest rates, with two additional hikes this year.
- Trump expressed his dissent over the Fed's rate increases.
- US industrial production grew 3.8% yoy (0.6% mom) in June.
- US GDP in Q2 expanded by 4.1% qoq ann vs 2.2% in Q1.
- US initial claims for unemployment insurance 4-week moving average dropped from 220,750 to 218,000.
- Argentina's monthly economic activity index fell 5.8% yoy in May.
- The EU inflation reached 2% yoy in June.
- The EU trade surplus shrunk in May to EUR 16.5 bn, from EUR 19.3 bn a year earlier.
- The ECB made no changes to its policy stance. President Draghi stated that despite the trade war the region was "proceeding along a solid and broad-based growth path" and confirmed the plan to end the QE after December.
- UK inflation was unchanged at 2.4% yoy in June.
- GDP growth in France was steady in Q2 at a paltry 0.2% qoq.
- China GDP expanded by 6.7% yoy in Q2 vs 6.8% in Q1.
- China announced policy measures to contain the impact from trade wars.
- China's industrial production growth slowed to 6% yoy in June from 6.8% in May.
- Japan is considering changes to its monetary policy stance such as shifting its 10-year Japanese bond yield target of zero.
- South Korea's GDP gained 2.9% yoy in Q2, slightly above the 2.8% in Q1.

Local & Regional Economic Development

- Palestine PPI increased by 0.69% mom in June 2018.
- Palestine IPI decreased by 3.16% mom in May.
- Palestine Wholesale Price Index (WPI) increased by 2.73% qoq in Q2.
- Palestine exports & Imports increased by 4.5% mom in May.
- Palestine CPI increased 0.93% mom in June.
- The IMF increased its growth estimates for the MENA region to 3.5% in 2018 and 3.9% for 2019.
- Middle East Personal wealth increased by 11% to USD 3.8trn in 2017, according to Boston Consulting Group
- Egypt aims to raise USD 450-560mn from floating shares in state-owned companies in this fiscal year 2018-19.
- Egypt is establishing a USD 11bn sovereign wealth fund.
- Egypt budget deficit narrowed to 9.8% in the previous fiscal year 2017-18 (ended in Jun), from 10.9% the previous year.
- Egyptian treasuries holed by Foreigners dropped to USD 17.5bn at end-June.
- Jordan is the only Arab country that exports more pharmaceuticals than it imports: the nation consumes only 25-30% of locally manufactured medicines and exports the rest to over 60 nations.
- KSA growth forecast for 2018 was revised upwards by the IMF to 1.9%.
- Riyadh-KSA was ranked 30th in the United Nations e-Government Survey on the assessment of municipal portals in 40 cities.
- Tadawul approved the Ministry of Finance request to list governmental debt instruments.
- Oman's government deficit plummeted to OMR 1.1bn during the Jan-May 2018 period.
- Oman's private sector credit grew by 5.7% yoy to OMR 21.5bn in May.
- Qatar's industrial production index (IPI) grew 4.7% yoy in May 2018.
- Bahrain inflation increased to 2.8% yoy in June.
- Abu Dhabi Inflation increased 3.6% in H1 2018, as June inflation touched 3.3%.
- UAE, 18% of the wealth is held by just 12 people, while another 139 individuals account for 8% of the country's wealth, according to the Boston Consulting Group.
- UAE monetary base increased by 1.1% mom to AED 354bn (USD 96.3bn) in June.
- Dubai Airport reported an uptick in passenger traffic of 11.7% yoy in June to 6.8mn passengers, bringing the year-to-date number to 43.74mn.

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 Securities Exchange (PSE) semi annual 2018 financial results showed a net profit of USD 552,968** an increase of 627% compared to a loss of USD 104,963 in the same period of 2017.
 Gross revenue for the first half of 2018 was USD 1,746,789 compared to USD 1,461,327 in the same period of 2017, an increase of 20%. Operational revenues amounted to USD 1,446,493 and other revenues were USD 300,296 respectively.
 First half 2018 expenses amounted to USD 1,083,768 compared to USD 1,566,290 during the same period of 2017, a decrease of 31%.
 Trading Value in the first half of 2018 increased by 47% compared to the same period in 2017 and reached USD 243 million. Trading commissions is the main source of income for the company.

Corporate News

- Sanad Construction Resources (PEX: SANAD) has signed an exclusive supply agreement with the Jordanian Northern Cement Company PLC.
- Al Quds Bank (PEX: QUDS) signed a merging agreement with Jordan Kuwait Bank (JKB) to acquire its Palestine branches.
- Palestine Insurance Company (PEX: PICO) named Mr. Yahya Abu Eideh a GM.
- Arab Hotels Company (PEX: AHC) GM, Anan Tavruri, has resigned.

Trading Summary

Details	Value	Month Change	YTD
Index close (points)	536.99	-0.68%	-6.54%
Trading value (US\$)	23,726,814	10.90%	266,791,820
Trading volume	12,764,998	26.66%	132,246,790
No. of transactions	3,068	15.30%	23,264
Market Cap. (US\$)	3,754,697,566	-0.78%	3,754,697,566

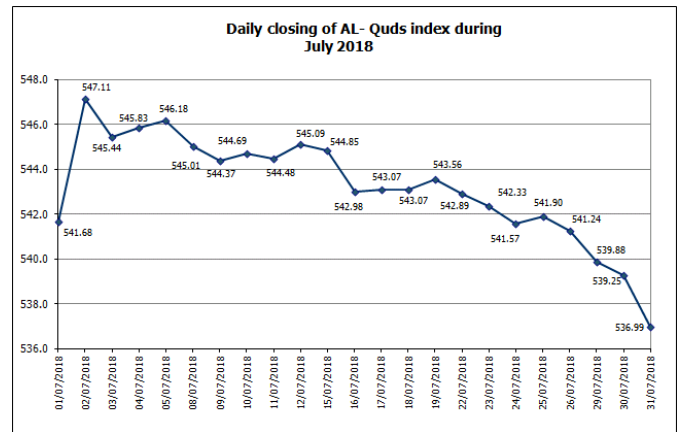
Key Indicators

No. of listed Companies	48
Subscribed Shares	1,881,369,848
Annual Turnover Ratio	13.89 %
Price earnings ratio (P/E)	12.90
Daily average value turnover (US\$)	1,031,601
Daily average Volume turnover	554,999

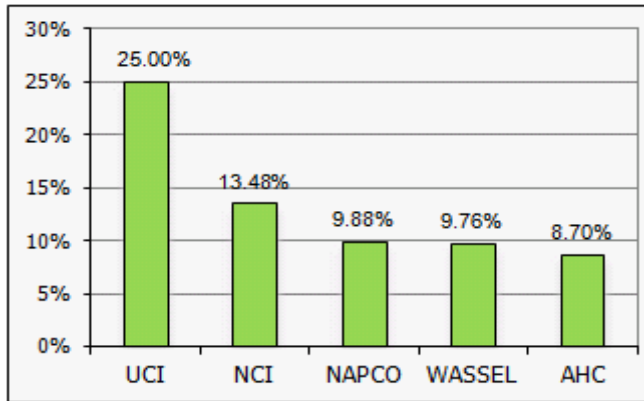
PEX Indices

Index (Base Value =100)	Points	Change
Al-Quds	536.99	-0.68%
General	297.02	-0.78%
Banking & Financial Serv.	157.11	0.16%
Industry	99.58	-0.05%
Insurance	82.42	-2.08%
Investment	28.54	-1.45%
Services	40.20	-1.23%

Al Quds Index



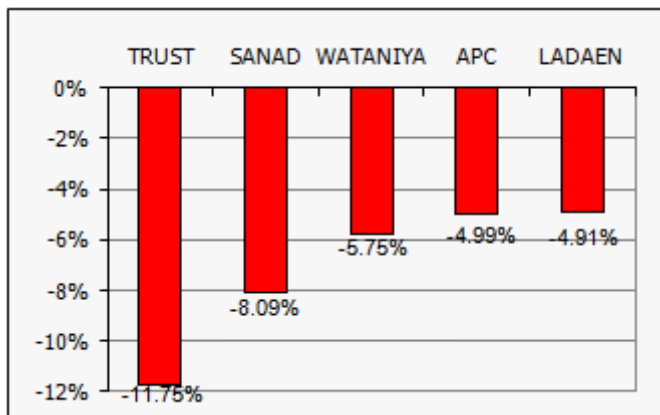
Top Gainers



Arab Markets Indices

Country	Value	M. Change	Y-To-D
SUDAN	12,203.86	164.11%	190.40%
TUNIS	8,408.80	4.34%	33.86%
QATAR	9,825.11	8.88%	15.27%
SAUDI	8,294.83	-0.23%	14.79%
ABU DHABI	4,859.45	6.57%	10.48%
EGYPT	15,580.19	-4.70%	3.74%
BAHRAIN	1,358.35	3.61%	2.00%
IRAQ	582.44	0.58%	0.33%
CASABLANCA	11,746.14	-1.12%	-5.19%
AMMAN	2,007.82	-3.02%	-5.59%
PALESTINE	536.99	-0.68%	-6.54%
DAMASCUS	5,528.66	-2.56%	-7.59%
BEIRUT	1,039.94	-0.84%	-9.46%
DUBAI	2,955.95	4.78%	-12.29%
MUSCAT	4,336.55	-5.14%	-14.96%
KUWAIT	5,296.99	8.00%	-17.34%

Top Decliners



AI Quds Index Companies

Company	Ticker	Currency	M. Cap. USD' Million	Price EOM	Monthly Change %	YTD Change%	P/E
Arab Islamic Bank	AIB	US\$	120,000	1.60	6.67	(-9.09)	18.74
Ahliea Insurance Group	AIG	US\$	11,600	0.29	7.41	20.83%	4.40
Arab Palestinian Investment	APIC	US\$	173,250	2.31	3.12	16.67%	9.92
Bank Of Palestine	BOP	US\$	496,000	2.48	(-0.80)	(-6.42)	9.18
Golden Wheat Mills	GMC	JOD	16,714	0.79	(-1.25)	(-1.25)	8.01
Palestine Islamic Bank	ISBK	US\$	139,120	1.88	(-2.59)	(-12.56)	9.57
Jerusalem Pharmaceutical	JPH	US\$	55,800	3.10	0.00	(-4.91)	9.05
Palestine Development & Investment	PADICO	US\$	320,000	1.28	(-3.03)	(-14.67)	64.46
Palestine Telecommunications	PALTEL	JOD	807,572	4.35	(-0.23)	(-5.02)	8.12
Palestine Electric	PEC	US\$	80,400	1.34	0.00	3.08%	9.3
Palestine Real Estate Investment	PRICO	JOD	42,268	0.47	6.82	(-6.00)	---
Quds Bank	QUDS	US\$	142,906	1.90	(-2.06)	(-10.38)	12.78
The National Bank	TNB	US\$	129,750	1.73	(-1.14)	(-5.98)	14.10
Union Construction and Investment	UCI	US\$	17,600	0.55	25.00	(-20.29)	25.87
Wataniya Palestine Mobile Telecommunications	WATANIYA	US\$	240,260	0.82	(-5.75)	(-21.15)	---

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