

Weekly Trading Report [04-08/02] 2018

“Al Quds Index closes at the level of 575.59 points”

Inactivity state in the market with the approaching end of the disclosures' period

An inactivity state prevailed again in the financial market during this week following weakness in liquidity and slowness in filling orders. This was attributable to the acceleration in the investors' anticipation with the approaching end of the legal period granted to the listed companies to disclose their financial and operational data for the year 2017. On the other hand, Al-Quds Index declined for the third week in row by 0.23% than the previous weekly closing level, to record 575.59 points, while, Palestine Stock Exchange PEX witnessed a momentum in the significant news, which include an increase in the acceleration of the annual disclosures and dividends distribution proposals.

Regarding the significant news and following its desire to obtain the newest international trading applications, in addition to developing the Palestinian securities sector, the PEX and Nasdaq Inc. have signed a new market technology agreement for Nasdaq to deliver new matching engine technology via the Nasdaq Financial Framework architecture “Extreme” to the PEX. The agreement provides using the global trading system “SMART” to monitor the trading on the stock exchange. Whereby, this agreement will be extended to ten years. However, “Extreme” is the world's most widely used transaction matching engine that combines exceptional performance with broad functionality to meet current and future performance requirements. It is considered cost-effective especially for small and medium exchanges, and can take up to 100,000 processing orders per millisecond.

In the same context, Palestine Capital Market Authority PCMA and Jordan Securities Commission JSC signed a memorandum of understanding in order to exchange experience in the supervision and controlling of the securities market between the supervisory bodies especially in the development of legal and regulatory frameworks in the field of Islamic finance and the issuance of Islamic Sukuk. Also, it aims to reinforce the mutual corporation in the financial inclusion in the sectors that are controlled by both authorities, additionally to exchanging experiences in the field of corporate governance of the listed public shareholding companies. The memorandum of understanding also aims to provide a means to enhance the investors' protection through mutual exchange of regulatory information based on the applicable legal frameworks and relevant international principles, in particular of those issued by the International Organization of Securities Commissions IOSCO which both authorities are members of.

Regarding the banking and financial sector disclosures' and dividends proposals, Bank of Palestine BOP – the largest bank in terms of market capitalization – was the first to disclose its financial results among the leading companies. Whereby, the bank noted posting net income attributable to the shareholders of the parent company of \$50.89 million in 2017; down by 0.19% than the year 2016. However, the bank's data showed a significant increase in net interest, financing, investing and commissions' income by 22.56% in 2017 compared to 2016. Based on the disclosed figures, BOP records Book Value BV of \$1.99 and P/BV of 1.31x. It is worth mentioning that the board of directors BOD of the bank raised a proposal to the general assembly GA, which will hold a meeting on 29/03/2018, to distribute 13.5% cash dividends for the year 2017, to record dividends yield of 5.17% based on the current market price. Also, the BOD of the Vegetable Oil Industries Company VOIC raised a recommendation to the GA to distribute 60% cash dividends for the year 2017, to record dividends yield of 4.29% based on the current market price. On the other hand, Al Quds Bank QUDS disclosed its financial results for the end of 2017, noting posting net income after tax of \$11.18 million at the end of 2017, compared to net income after tax of \$10.47 million at the end of 2016. This is mainly due to a growth in net interest and commissions, and consequently, in the bank's gross income, however, based on the disclosed figures, the bank records a BV of \$1.50 and P/BV of 1.42x.

Weekly Report

Market Indices & Top Gainers

Index/ PEX	Opening	Closing	Change	Symbol	Opening	Closing	Change
Al Quds	576.93	575.59	-0.23%	GUI	1.60	1.68	5.00%
Banking & Financial Services	163.07	164.11	0.64%	AIG	0.28	0.29	3.57%
Industry	101.96	102.22	0.26%	ISBK	2.15	2.20	2.33%
Insurance	71.75	71.22	-0.74%	TNB	1.78	1.81	1.69%
Investment	30.01	30.01	0.00%	AZIZA	2.62	2.65	1.15%
Services	44.81	44.26	-1.23%	JPH	3.53	3.57	1.13%

Summary of the Week Performance

Item	Current Week	Last Week	Change Ratio	Daily Average of this Week	Daily average of 2017	Change Ratio
# of Shares	1,708,495	10,923,247	-84.36%	341,699	1,115,900	-69.38%
Value in USD	3,380,567	18,031,821	-81.25%	676,113	1,930,330	-64.97%

Most Active Companies This Week

Company Name	# of Traded Shares	Total value (USD)	Open Price	Close Price	% Change	52 Weeks Price	
						High	Low
PALTEL	169,036	1,117,271	4.70	4.67	-0.64%	5.19	4.46
PADICO	365,608	508,839	1.40	1.40	0.00%	1.64	1.01
BOP	146,323	379,751	2.60	2.61	0.38%	2.78	2.4
APIC	144,914	304,243	2.08	2.10	0.96%	2.12	1.62
JPH	59,543	211,811	3.53	3.57	1.13%	3.62	1.59
ISBK	65,832	144,491	2.15	2.20	2.33%	2.34	2.01
PIBC	88,400	121,726	1.39	1.38	-0.72%	1.43	0.95
AIG	358,834	105,364	0.28	0.29	3.57%	0.49	0.13
WATANIYA	85,621	91,227	1.09	1.05	-3.67%	1.37	0.82
TIC	33,751	90,790	2.83	2.69	-4.95%	3.28	2.69

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