

Palestine Stock Exchange Performance

9M 2023

Macroeconomic Overview

The latest Palestinian economy performance

Decrease in Gross Domestic Product GDP in Palestine in Q1 2023: primary estimates for GDP at constant prices showed a decrease of 2% in GDP in Palestine during the 1st quarter 2023 compared to the 4th quarter 2022, mainly in agriculture, forestry and fishing by 19%, mining, manufacturing, electricity and water by 5%, public administration and defense by 4%, and construction by 3%. Meanwhile, there was an increase in transportation and storage by 4%, financial and insurance activities by 2%, and wholesale and retail trade, repair of motor vehicles and motorcycles by 1%. On the other hand, it showed an increase of 3% in Palestine during the 1st quarter 2023 compared to the 1st quarter 2022 at constant prices, which excludes the seasonal effect, meanwhile the base year is 2015. GDP for the 1st quarter 2023 at constant prices was \$3,279 million for the West Bank and \$658 million for Gaza Strip.

Decrease in Gross Domestic Product Per Capita: GDP per Capita for Palestine at constant prices was \$767 during the 1st quarter 2023, it showed a decrease of 3% compared to the 4th quarter 2022. As for the West Bank it was \$1,119 at constant prices during the 1st quarter 2023, it showed a decrease by 2% during the 1st quarter 2023 compared to the 4th quarter 2022, while for Gaza Strip it was \$299 during the 1st quarter 2023, and it showed a decrease by 5% during the 1st quarter 2023 compared to the 4th quarter 2022.

An incessant deficit in the Balance of Payment BoP in Q1 2023: the results of the Balance of Payment BoP in Q1 2023 showed an incessant deficit in the Current Account (goods, services, income, current transfers) which totaled \$755 million. Mainly triggered by the deficit of the Trade Balance of Goods, which reached \$2,052 million, as well as the deficit in Services Balance, which amounted to \$333 million.

A decrease in the trade deficit in April 2023: exports decreased in April, 2023 by 25% compared to March, 2023. While it increased by 1% compared to April, 2022 and reached \$112.4 million. Also, imports decreased in April, 2023 by 21% compared to March, 2023. It also decreased by 13% compared to April, 2022 and reached \$581.2 million. While the trade balance which represents the difference between exports and imports showed a decrease in trade deficit by 20% in April, 2023 compared to March, 2023. It also decreased by 15% compared to April, 2022 and reached \$468.8 million.

Consumer Price Index: the overall Consumer Price Index CPI for Palestine during June 2023 recorded a decrease by 0.35% compared with May 2023 (0.54% in Gaza Strip, 0.32% in the West Bank, and by 0.17% in Jerusalem).

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Producer Price Index: the overall Producer Price Index (PPI) for Palestine with its base year (2019) reached 105.86 in May 2023, as it decreased by 1.91% compared to April 2023.

Construction Cost Index: the Construction Cost Index (CCI) for residential buildings in the West Bank reached 120.55 with a decrease of 0.49% during May 2023 compared with April 2023 (base year 2013).

Industrial Production Index: the overall Industrial Production Index IPI in Palestine reached 110.38 during May 2023 with an increase of 13.95% compared to April 2023 (Base Year 2019).

Population: about 14.5 million Palestinians in the world in mid-2023, of whom about 5.48 million in the State of Palestine; 2.78 million males and 2.70 million females. The estimated population of the West Bank was 3.25 million (1.65 million males and 1.60 million females). While the estimated population of Gaza Strip was 2.23 million in the same year (1.13 million males and 1.10 million females).

Unemployment rate: for selected education fields in 2022, the highest unemployment rates among male graduates aged (20-29 years) with an intermediate diploma or bachelor's degree in Palestine is in languages by 52%, while the highest unemployment rates among female graduates aged (20-29 years) with an intermediate diploma or bachelor's degree in Palestine is in Physical sciences and Social and behavioral sciences by 78% for each of them.

Inflation Rate: the annual inflation rate in the first quarter of 2023 was at 4%, compared to 4.3% in the previous quarter, indicating a moderate decline in the inflation rate compared to the previous quarter. The analysis shows a delay in domestic prices response to changes in global commodity prices (food and energy), which witnessed a significant decrease compared to the previous year. On the other hand, the exchange rate of the shekel against the dollar continued to decline, raising the cost of imports. In the same context, inflation rates among trading partners remained high, though they tended to relatively slow down or decline during this quarter, owing to monetary policy tightening and demand inhibition in these countries.

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PEX Performance in 9M 2023

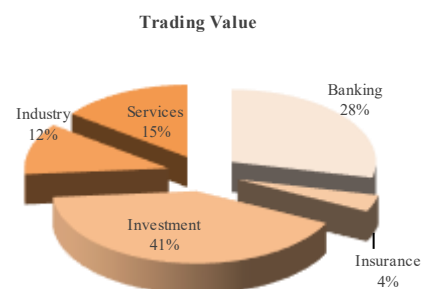
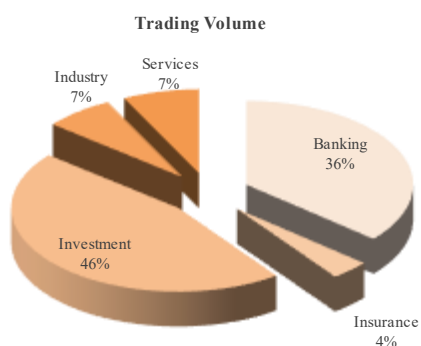
General Performance - 9M 2023 vs. 9M 2022

Period	No. of Trading Sessions	Trading Volume	Daily Average Turnover-Volume	Trading Value \$	Daily Average Turnover-Value	No. of transactions	Daily Average Turnover-Transactions	Market Capitalization \$
9M 2022	184	206,900,799	1,124,461	399,372,692	2,170,504	28,557	155	4,845,126,270
9M 2023	183	115,105,951	628,994	263,037,506	1,437,363	21,157	116	4,889,467,141
Δ	-0.54%	-44.37%	-44.06%	-34.14%	-33.78%	-25.91%	-25.51%	0.92%

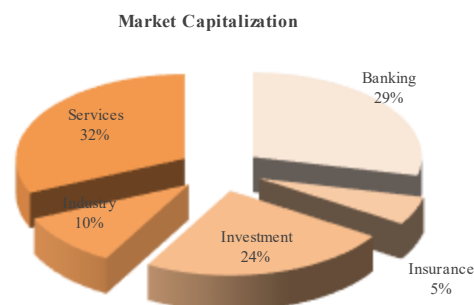
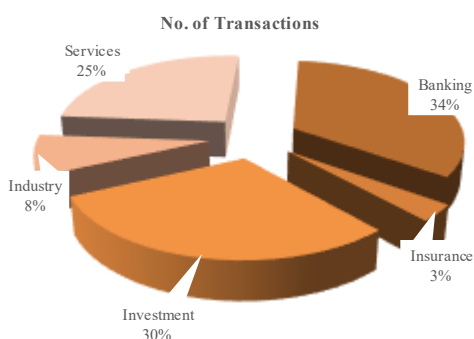
Comparison of Trading Activity - 9M 2023 vs. 9M 2022

Sector	No. of listed companies		No. of transactions		Trading volume		Trading Value \$		Market Capitalization \$	
	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023	9M 2022	9M 2023
Banking & Fin. Services	8	8	8,926	7,131	65,913,209	41,690,196	114,564,794	74,991,729	1,367,907,879	1,394,963,251
Insurance	8	8	460	713	1,918,063	4,356,918	4,429,264	9,979,885	261,545,460	267,629,800
Investment	11	12	11,274	6,355	121,367,813	52,768,946	200,210,896	108,851,658	1,287,295,060	1,179,162,937
Industry	13	11	2,112	1,687	6,725,437	7,781,047	24,185,610	30,322,561	520,453,318	501,781,248
Services	9	10	5,785	5,271	10,976,277	8,508,844	55,982,128	38,891,673	1,407,924,553	1,545,929,905
Total	49	49	28,557	21,157	206,900,799	115,105,951	399,372,692	263,037,506	4,845,126,270	4,889,467,141

Sectors Distribution in 9M 2023



Palestine Stock Exchange Performance 9M 2023

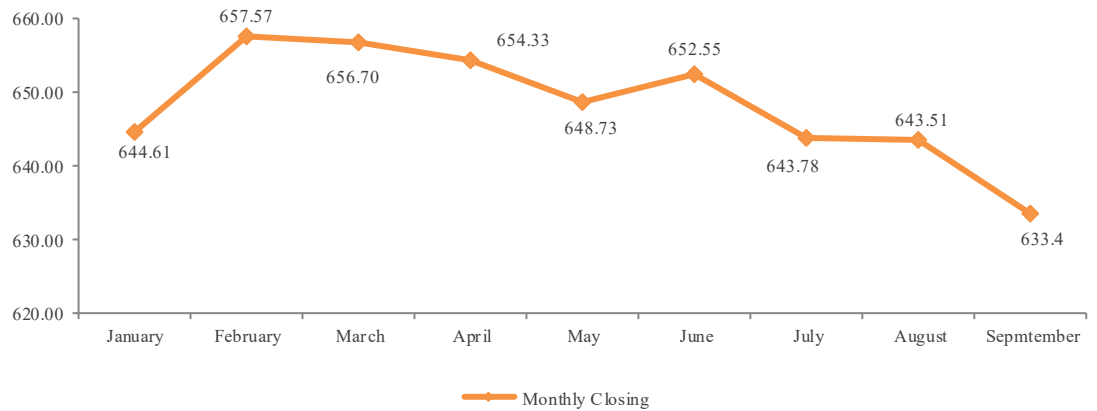


AI Quds Index Constituents as of September 30,2023; Weights

Sector	Company	Market Capitalization \$	% Out of total PEX Market Capitalization	% Out of total Constituents Market Capitalization
Banking & Financial Services	Arab Islamic Bank	178,981,076	3.66%	4.59%
	The National Bank	184,353,000	3.77%	4.73%
	Palestine Islamic Bank	220,000,000	4.50%	5.65%
	Bank of Palestine	486,729,175	9.95%	12.49%
	Al-Quds Bank	153,000,000	3.13%	3.93%
	Total Banks	1,223,063,251	25.01%	31.39%
Industry	Jerusalem Pharmaceuticals	68,400,000	1.40%	1.76%
	Jerusalem Cigarette Company	38,928,061	0.80%	1.00%
	Birzeit Pharmaceutical Company	164,363,168	3.36%	4.22%
	Total Industry	271,691,229	5.56%	6.97%
Insurance	National Insurance Company	65,550,000	1.34%	1.68%
	Total Insurance	65,550,000	1.34%	1.68%
Investment	Palestine Development & Investment	340,000,000	6.95%	8.73%
	Arab Palestinian Investment Company	354,510,000	7.25%	9.10%
	Arkaan Real Estate Company	211,916,250	4.33%	5.44%
	Palestine Real Estate Investment	34,174,528	0.70%	0.88%
	Total Investment	940,600,778	19.24%	24.14%
Services	Palestine Telecommunications Company	963,517,117	19.71%	24.73%
	Wataniya Palestine Mobile Telecommunications	249,050,000	5.09%	6.39%
	Palestine Electric Company	183,000,000	3.74%	4.70%
	Total Services	1,395,567,117	28.54%	35.82%
	Total	3,896,472,375	79.69%	100.00%

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AI Quds Index Performance during 9M 2023



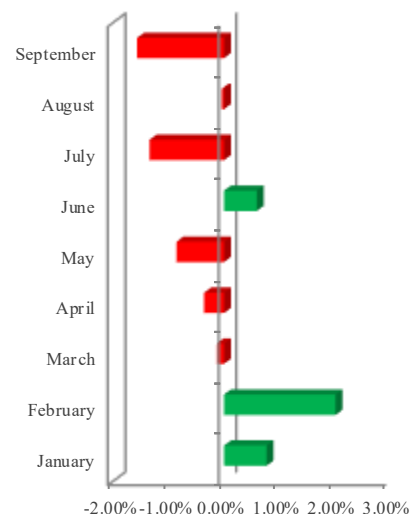
Sectors Indices Dynamics in 9M 2023

Item	AI-Quds	Banking	Industry	Insurance	Investment	Services
Closing	633.40	163.70	131.68	108.55	32.60	50.36
YTD	-0.99%	4.88%	-0.45%	1.53%	-7.02%	-1.85%
High Level	662.95	166.63	138.47	115.16	36.45	53.96
Low Level	631.93	154.95	129.98	103.16	32.60	50.10
Discount to high	-4.46%	-1.76%	-4.90%	-5.74%	-10.56%	-6.67%
Premium to low	0.23%	5.65%	1.31%	5.22%	0.00%	0.52%

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Al Quds Index Performance in 9M 2023

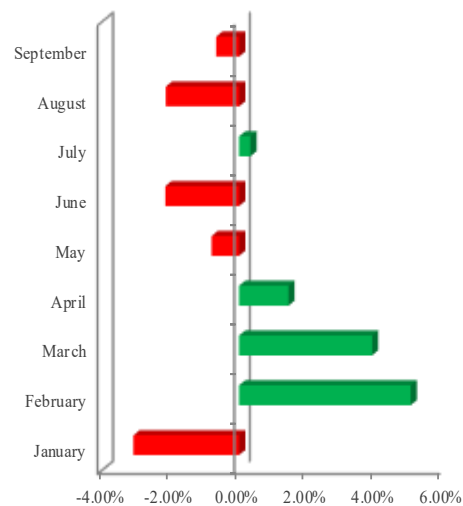
- Al-Quds Index closed at the level of 633.40 in 9M 2023, down by 0.99% compared to its Y2022's closing.
- Al-Quds Index constituents' market capitalization hit \$3.90 billion in 9M 2023, accounting for 79.69% of the total PEX market capitalization.
- Al-Quds index touched its low of 631.93 on 26/09/2023 and its high of 662.95 level on 04/04/2023, recording a discount to high of -4.46% and premium to low of 0.23%.
- Constituents stocks from the services sector contributed by 35.82% of Al-Quds Index' total sample market capitalization in 9M 2023, while the banking & financial services sector contributed by 31.39%, followed by the investment, industry, and insurance sectors by 24.14%, 6.97% and 1.68% respectively.



Sectors Performance in 9M 2023

Insurance Sector

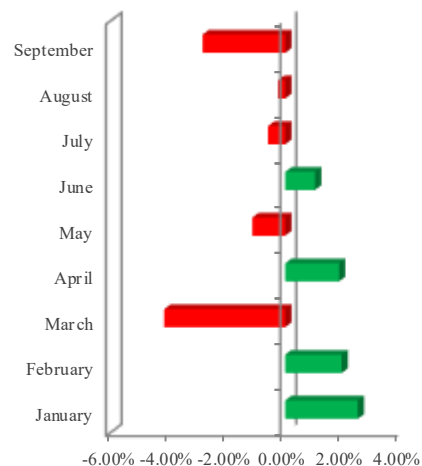
- The number of listed insurance companies in the PEX reached 8 in 9M 2023, same as in 9M 2022.
- Insurance Index closed at the level of 108.55 in 9M 2023; up by 1.53% compared to Y2022's closing.
- The insurance sector market capitalization increased to \$267.63 million in 9M 2023 from \$261.55 million in 9M 2022, up by 2.33%.
- Trading value of the sector increased by 125.32%, aggregating at \$9.98 million in 9M 2023 from \$4.43 million in 9M 2022.
- The total volume of the sector reached 4.36 million in 9M 2023 from 1.92 million in 9M 2022; up by 127.15%.



Palestine Stock Exchange Performance 9M 2023

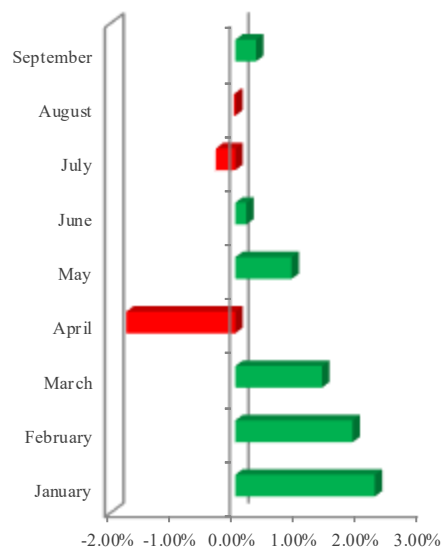
Services Sector

- The number of listed services companies in the PEX reached 10 in 9M 2023, up from 9 as 9M 2022.
- Services Index closed at the level of 50.36 in 9M 2023, down by 1.85% compared to Y2022's closing.
- The services sector market capitalization increased to \$1.55 billion in 9M 2023 from \$1.41 billion in 9M 2022; up by 9.80%.
- Trading value of the sector decreased by 30.53%, hitting \$38.89 million in 9M 2023 from \$55.98 million in 9M 2022.
- The total volume of the sector reached 8.51 million in 9M 2023 from 10.98 million in 9M 2022, down by 22.48%.



Banking & Financial Services Sector

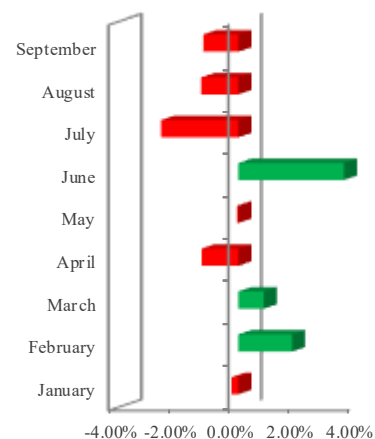
- The number of listed companies in the banking & financial services sector in the PEX reached 8 in 9M 2023, compared to 8 in 9M 2022.
- Banking & financial services index closed at the level of 163.70 in 9M 2023, up by 4.88% compared to Y2022's closing.
- The banking & financial services sector market capitalization increased to \$1.40 billion in 9M 2023 from \$1.37 billion in 9M 2022, up by 1.98%.
- Trading value of the sector declined by 34.54%, hitting \$74.99 million in 9M 2023 from \$114.56 million in 9M 2022.
- The total volume of the sector reached 41.69 million in 9M 2023 from 65.91 million in 9M 2022, down by 36.75%.



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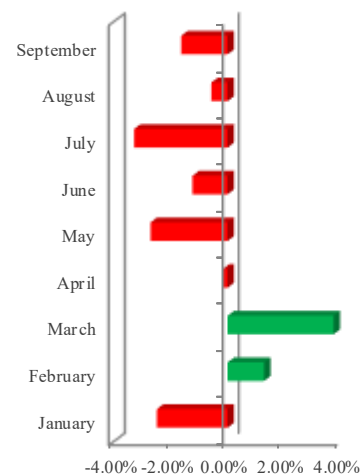
Industry Sector

- The number of listed industrial companies in the PEX reached 11 in 9M 2023, compared to 13 in H1 2022.
- Industry Index closed at the level of 131.68 in 9M 2023; down by 0.45% compared to Y2022's closing.
- The industry sector market capitalization increased to \$501.78 million in 9M 2023 from \$520.45 million in 9M 2022; down by 3.59%.
- Trading value of the sector increased by 25.37%, amounting to \$30.32 million in 9M 2023 from \$24.19 million in 9M 2022.
- The total volume of the sector reached 7.78 million in 9M 2023 from 6.73 million in 9M 2022; up by 15.70%.



Investment Sector

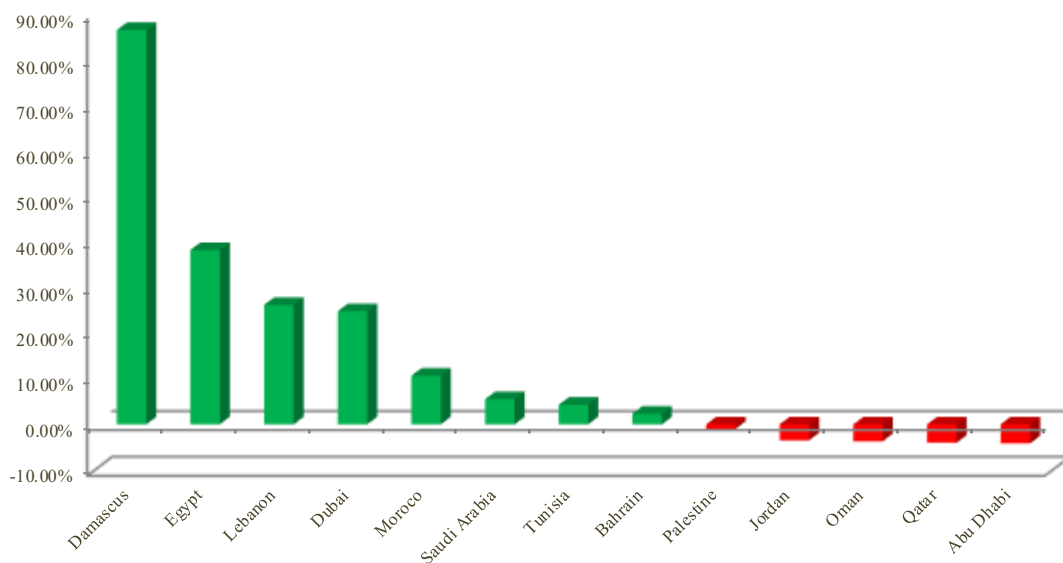
- The number of listed investment companies in the PEX reached 12 in 9M 2023, compared to 11 in 9M 2022.
- Investment Index closed at the level of 32.60 in 9M 2023; down by 7.02% compared to Y2022's closing.
- The investment sector market capitalization increased to \$1.18 billion in 9M 2023, from \$1.29 billion in 9M 2022; down by 8.40%.
- Trading value of the sector declined by 45.63%, settling at \$108.85 million in 9M 2023, from \$200.21 million in 9M 2022.
- The total volume of the sector reached 52.77 million in 9M 2023 from 121.37 million in 9M 2022; down by 56.52%.



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AI Quds Index among the MENA Indices in 9M 2023

Market	Index/ Bloomberg Quote	Market Index				
		Previous Closing	Closing	(%)	High	Low
Damascus	DWX:IND	30,244.68	56,369.16	86.38%	57,732.37	31,164.28
Egypt	EGX30:IND	14,598.53	20,174.28	38.19%	20,354.86	14,704.18
Lebanon	BLOM:IND	1,410.28	1,779.15	26.16%	2,172.16	1,383.91
Dubai	DFMGI:IND	3,336.07	4,163.58	24.80%	4,182.06	3,297.68
Morocco	MOSENEW:IND	10,720.25	11,865.32	10.68%	12,203.87	9,806.32
Saudi Arabia	SASEIDX:IND	10,478.46	11,055.96	5.51%	11,906.13	9,976.65
Tunisia	TUSISE:IND	8,109.68	8,458.43	4.30%	8,975.28	8,019.03
Bahrain	BHSEASI:IND	1,895.27	1,939.13	2.31%	1,992.41	1,886.35
Palestine	PASISI:IND	639.71	633.40	-0.99%	662.95	631.93
Jordan	JOSMGNFF:IND	2,501.60	2,414.02	-3.50%	2,744.84	2,368.68
Oman	MSM30:IND	4,857.44	4,678.13	-3.69%	4,928.86	4,618.69
Qatar	DSM:IND	10,681.07	10,251.95	-4.02%	11,466.70	9,778.27
Abu Dhabi	ADSMI:IND	10,211.09	9,785.32	-4.17%	10,287.82	9,351.25



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Major News & Events in 9M 2023

Companies' News

- The share of Amlak Real Estate Investment & Trading AMLAK was listed in Palestine Stock Exchange PEX on the trading session of 21/06/2023 under the symbol AMLAK using the currency of US dollars. According to the first trading session mechanism, AMLAK's price floated in the pre-opening period until 10:15 am. Opening price recorded \$5.00. Afterward it was halted from trading for 15 minutes to calculate the price fluctuations rates. During the session, 250 shares were traded with a value of \$1,250 whereby, closed at \$5.00; without any change than the opening price.
- The share of Ibn Sina Specialized Hospital was listed in Palestine Stock Exchange PEX on the trading session of 16/05/2023 under the symbol ISH using the currency of US Dollars. According to the first trading session mechanism, ISH's price floated in the pre-opening period until 10:15 am. Opening price recorded \$1.30. Afterward it was halted from trading for 15 minutes to calculate the price fluctuations rates. During the session, 239,619 shares were traded with a value of \$310,895 whereby, closed at \$1.31; up by 0.77% compared to the opening price.

General News

- According to the Palestinian Central Bureau of Statistics PCBS, it is expected that the Palestinian Economy will shrink by 3% this year, if the war on Gaza Strip continues for a month and its effects extend for the next two months. It added that the continuation of the Israeli war on the Gaza Strip for a month and the extension of its effects during the following two months, and the accompanying repercussions on the economy in the West Bank will lead to a decline in the gross domestic product GDP of Palestine in 2023 by an estimated value of \$500 million, about 3% compared to 2022, after it was supposed to achieve a growth of 3%, as a result of the suspension of the daily production wheel in the Strip.
- Palestine Monetary Authority PMA announced new instructions to reduce the banking services commissions, beginning from the coming February, while it studies using tools to mitigate the effects of raising interest rates on borrowers. The new instructions include the abolition of a number of commissions on accounts and banking services, and the reduction of the remaining, except for the commission on the shekels deposits only, which will be raised. Where the commission for depositing in shekels will be raised on amounts above NIS100,000, targeting in particular major traders and distributors of tobacco and fuel, who refuse to deal with electronic payment systems despite completely canceling the commissions on, whether for the merchant or customer. This aims to encourage payment through electronic systems and reducing the shekel surplus crisis, which is affecting individuals, banks and the Palestinian economy in general.

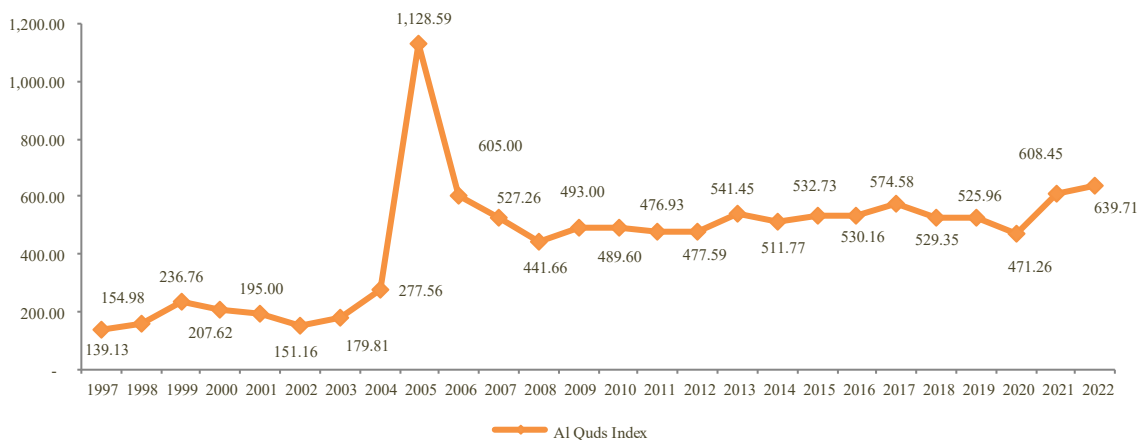
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Appendix 1: PEX Total Yearly Activity (1997-2022)

Year	#. Trading Sessions	Trading Volume	Daily Average Turnover-Volume	Trading Value \$	Daily Average Turnover-Value	# transactions	Daily Average Turnover-Transactions	Market Capitalization \$
1997	66	10,000,276	151,519	25,158,471	381,189	1,957	30	529,057,368
1998	100	16,782,498	167,825	68,642,344	686,423	7,639	76	587,876,243
1999	146	68,892,607	471,867	150,243,919	1,029,068	10,625	73	848,935,775
2000	211	93,351,075	442,422	188,982,443	895,651	20,143	95	766,018,025
2001	161	33,456,535	207,805	74,528,351	462,909	8,205	51	722,631,785
2002	100	18,666,938	186,669	45,084,654	450,847	4,579	46	576,593,466
2003	223	40,350,788	180,945	58,326,445	261,554	10,552	47	650,468,928
2004	244	103,642,845	424,766	200,556,709	821,954	27,296	112	1,096,525,380
2005	246	369,567,295	1,502,306	2,096,178,223	8,521,050	166,807	678	4,457,227,305
2006	238	222,689,351	935,670	1,067,367,951	4,484,739	150,592	633	2,728,811,088
2007	248	299,422,814	1,207,350	813,469,091	3,280,117	157,300	634	2,474,679,018
2008	244	339,168,807	1,390,036	1,185,204,211	4,857,394	152,319	624	2,123,057,098
2009	246	238,877,373	971,046	500,393,398	2,034,120	88,838	361	2,375,366,531
2010	249	230,516,370	925,769	451,208,528	1,812,082	82,625	332	2,449,901,545
2011	248	184,544,375	744,131	365,645,216	1,474,376	61,928	250	2,782,469,900
2012	249	147,304,208	591,583	273,440,422	1,098,154	41,442	166	2,859,140,375
2013	241	202,965,939	842,182	340,774,268	1,414,001	44,425	184	3,247,478,385
2014	245	181,545,154	741,001	353,917,125	1,444,560	41,257	168	3,187,259,624
2015	246	175,229,463	712,315	320,388,213	1,302,391	31,014	126	3,339,196,379
2016	245	232,817,327	950,275	445,152,369	1,816,948	34,010	139	3,390,122,335
2017	243	271,163,750	1,115,900	469,070,221	1,930,330	53,205	219	3,891,495,532
2018	243	185,071,060	761,609	353,476,020	1,454,634	35,030	144	3,734,921,019
2019	246	142,827,719	580,600	273,905,763	1,113,438	29,276	119	3,757,501,158
2020	220	86,454,791	392,976	190,096,883	864,077	17,243	78	3,446,913,516
2021	245	201,246,572	821,415	418,690,354	1,708,940	33,531	137	4,407,120,635
2022	247	243,514,353	985,888	472,753,655	1,913,982	34,949	141	4,896,117,627

Al Quds Index Performance (1997-2022)



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Appendix 2: Sectors Indices (2007-2022)

Year	Banking & Financial Services	Industry	Insurance	Investment	Services
2007	81.52	66.1	77.5	38.27	48.26
2008	78.74	54.38	57.79	22.11	46.92
2009	102.83	55.56	53.65	22.55	49.85
2010	95.08	66.96	47.41	23.41	51.44
2011	95.76	65.99	45.68	20.98	50.85
2012	105.31	63.81	47.47	19.15	49.89
2013	124.92	68.26	45.52	25.6	52.23
2014	119.66	67.68	46.8	25.52	49.18
2015	143.57	69.88	49.10	23.98	48.39
2016	144.38	78.17	67.06	26.33	45.03
2017	164.03	98.16	70.93	30.50	43.54
2018	150.03	98.64	90.76	28.18	40.10
2019	148.83	98.79	99.15	27.79	40.91
2020	128.68	94.87	94.46	25.31	37.4
2021	149.59	116.4	108.42	32.75	51.48
2022	156.09	132.28	106.91	35.06	51.31
CAGR	4.14%	4.43%	2.03%	-0.55%	0.38%

Report Sources

- Palestine Central Bureau of Statistics—PCBS.
- Monthly Statistical Newsletters— PEX.
- Palestine Stock Exchange Media Center.
- Sahem Trading & Investment Database.
- Palestine Monetary Authority— PMA
- Local Newspapers

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