



UNITED SECURITIES Co.

**Palestine Exchange Performance
During 2013**

2013 Wrap Up:

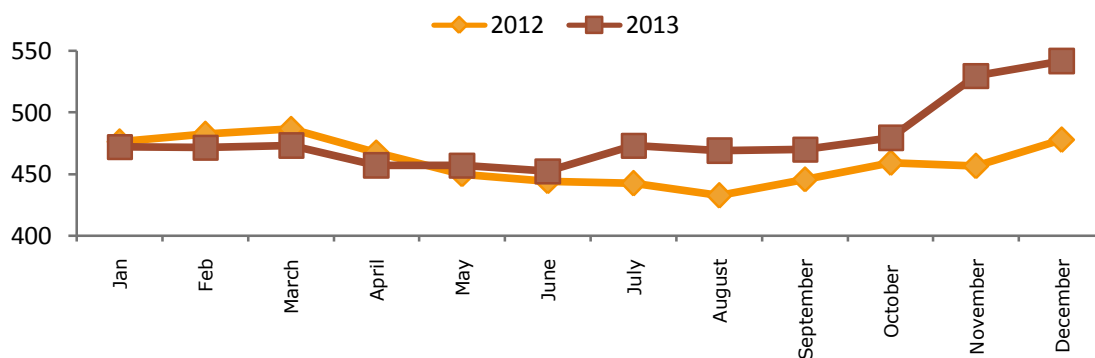
The year 2013 can be described as "A Good Year" for most MENA region financial markets, especially for Gulf region, as general Indices for all GCC markets increased dramatically during the year, ranging from 17% increase (Bahrain) to 108% (Dubai). The Egyptian Exchange also was not in isolation from the uptrend witnessed during the year, as the general Index for the market increased by about 24%.

Index (for 2013)	Close	Open	Change
Al-Quds Index	541.45	477.59	13.37%
General Index	282.8	253.08	11.74%
Banking and Financial Services Index	124.92	105.31	18.62%
Industry Index	68.26	63.81	6.97%
Insurance Index	45.52	47.47	-4.11%
Investment Index	25.6	19.15	33.68%
Services Index	52.23	49.89	4.69%

Concerning PEX, the general Index (AL-QUDS index) performed differently during the first and second halves of the year. During the 1st Half of 2013 the Index closed at 452.52 point decreasing 5.25% from the end of 2012. However during the last 6 months of the year the Index reflected its direction and wiped out all first half losses and managed to end the year 2013 at 541.45 points, increasing by 63.86 points, or by 13.37% from 2012 close. The highest point reached by Al-Quds Index during 2013 was 546.00, while the lowest point reached by the index was 450.92.

Four of the five indices of the PEX witnessed stock prices gains, the highest gainer was the **investment index** which grew by 33.68%. The second increase was in the **banking and financial services** index which increased by 18.62%. While the **industry index** increased by 6.97% and the **services index** grew by 4.69%. The **insurance index** was the only loser among the indices, decreasing by (4.11%).

Al- Quds Index



During the last quarter of the year, PEX has witnessed the highest trading value ever recorded in a single trading session (48.42 Million USD) since the start of trading on the exchange in 18/02/1997. This extraordinary trading value was mainly referred to the prearranged deals executed by Palestine Telecommunications Company (PALTEL), where the company purchased 13 million shares that represents the shares of Palestine Investment Fund (PIF) in PADICO; PALTEL has also purchased another 19 million shares that represents Blakeney Management stake in PADICO, in addition to about 3 million other shares bought from the market, therefore PALTEL's total ownership on PADICO rose to about 41 million shares, representing 16% of the company's paid-in capital. The optimism about PALTEL was also supported by Mr. Ammar Aker announcement that "Newroz Telecom" which is considered VTel's best investment, is now achieving good earnings, and the company is expected to grow its business with obtaining the fourth-generation services license. Noting that VTel losses has decreased a lot and is expected that this year the bleeding will stop, to turn to the positive direction in the next years. PADICO was not in isolation from all the pervious as a reason of the strategic relations between the two companies and shares owned in each other, any increase in PALTEL's profits which will directly be reflected in PADICO's income statement; this and more have led to a 50% increase in PADICO share price compared to the beginning of the year.

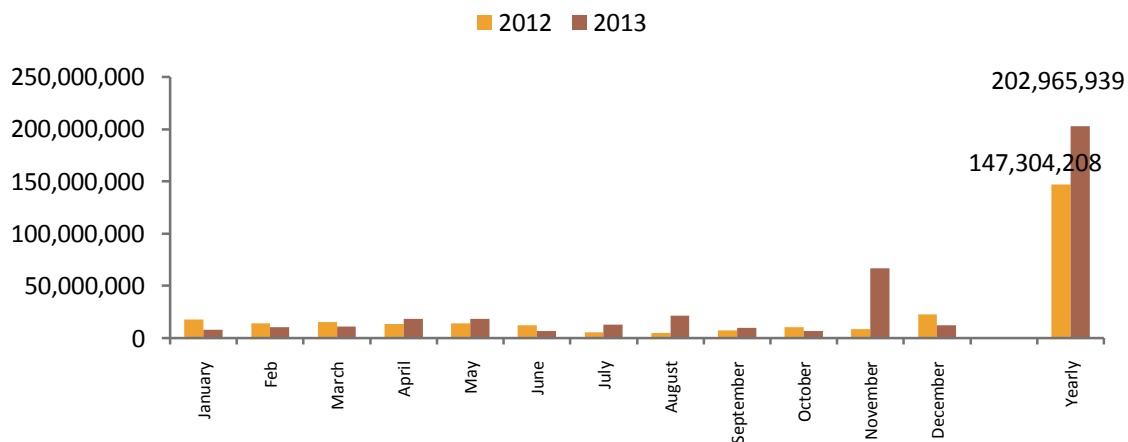
On the other hand the momentum witnessed in the last quarter was also supported by the increase in investors' level of confidence in the market in general and in the leading shares in specific. In addition to reviving the peace talks between the Palestinians and the Israeli part, and the economic and political promises that is currently on the table like "Kerry's economic plan". Important developments was also introduced in the last quarter of the year which is expected to have a good influence of PEX trading in general, such as S&P Dow Jones announcement on 18 December 2013 that it has added coverage of Palestine to its suite of frontier market indices. The Palestine index is currently a standalone country index. Palestine will remain on S&P Dow Jones Indices watch-list for potential future inclusion in the S&P Frontier BMI and Dow Jones Global Total Stock Market. In the same context, FTSE Indices informed the PEX that in 2014, FTSE will be reviewing the eligibility of including Palestine as a Frontier market within the FTSE Country Classification scheme. Noting that Morgan Stanley International Capital (MSCI) launched in June 2013 a standalone country index for Palestine, the MSCI Palestine IMI Index consists of four listed companies namely PALTEL Group, Bank of Palestine, PADICO Holding and Wataniya Mobile. Hopefully that this inclusion will increase the PEX exposure, attract more international investment and enhance the exchange's liquidity according to Palestine Exchange CEO Mr. Ahmad Aweidah. Besides Palestine Capital Market Authority approved margin trading instructions.



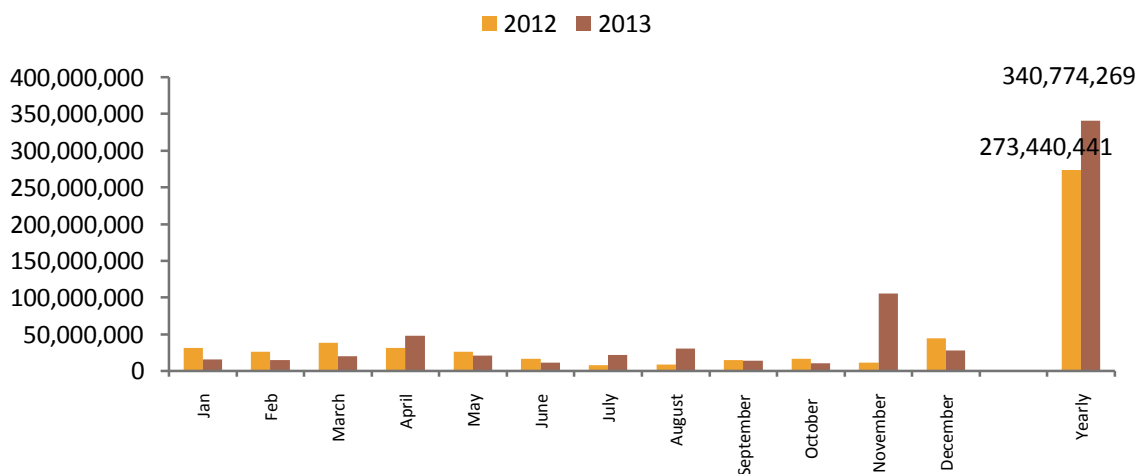
Trading Value and Volume

Trading Summary			
	2013	2012	Change
Number of Trades	44,425	41,442	7.20%
Number of Traded Shares	202,965,939	147,304,208	37.79%
Value of Traded Shares (\$)	340,774,269	273,440,441	24.62%
Daily Average Value of Traded Shares	1,414,001	1,098,154	28.76%
Market Capitalization (\$)	3,247,478,385	2,859,140,375	13.58%

Number of Traded Shares

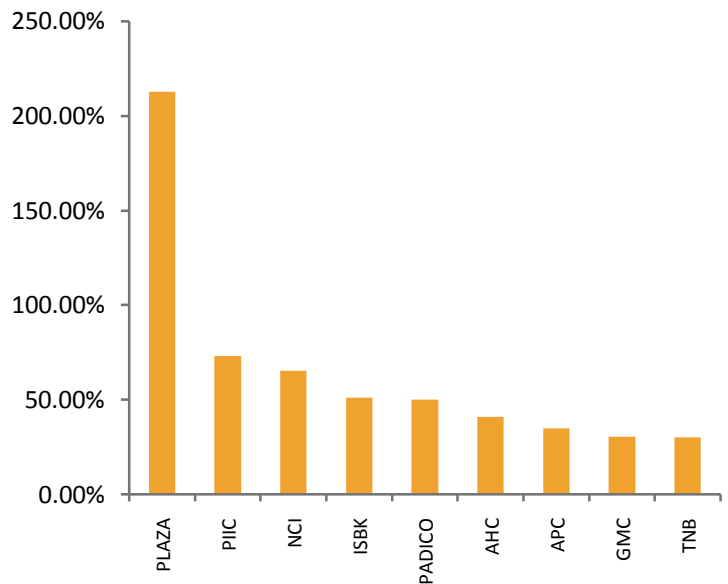


Value of Traded Shares



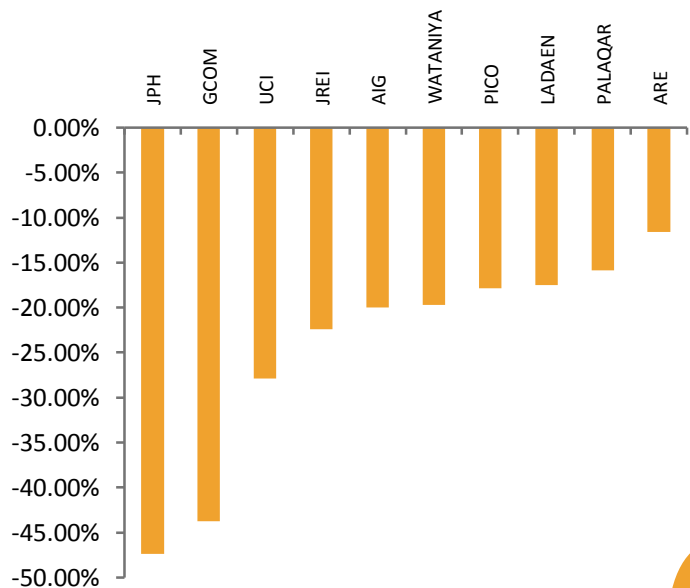
Top 10 Gainers	%
PLAZA	212.73%
PIIC	73.11%
NCI	65.45%
ISBK	50.98%
PADICO	50.00%
AHC	40.98%
APC	34.92%
GMC	30.43%
TNB	30.00%
VOIC	28.43%

Top 10 Gainers



Top 10 Losers	%
JPH	-47.37%
GCOM	-43.75%
UCI	-27.87%
JREI	-22.37%
AIG	-20.00%
WATANIYA	-19.69%
PICO	-17.86%
LADAEN	-17.50%
PALAQAR	-15.85%
ARE	-11.63%

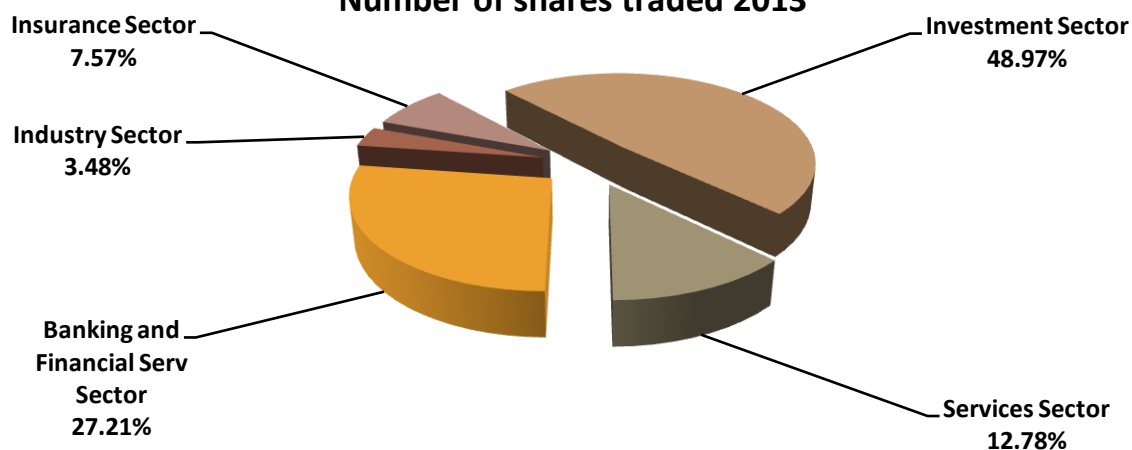
Top 10 Losers



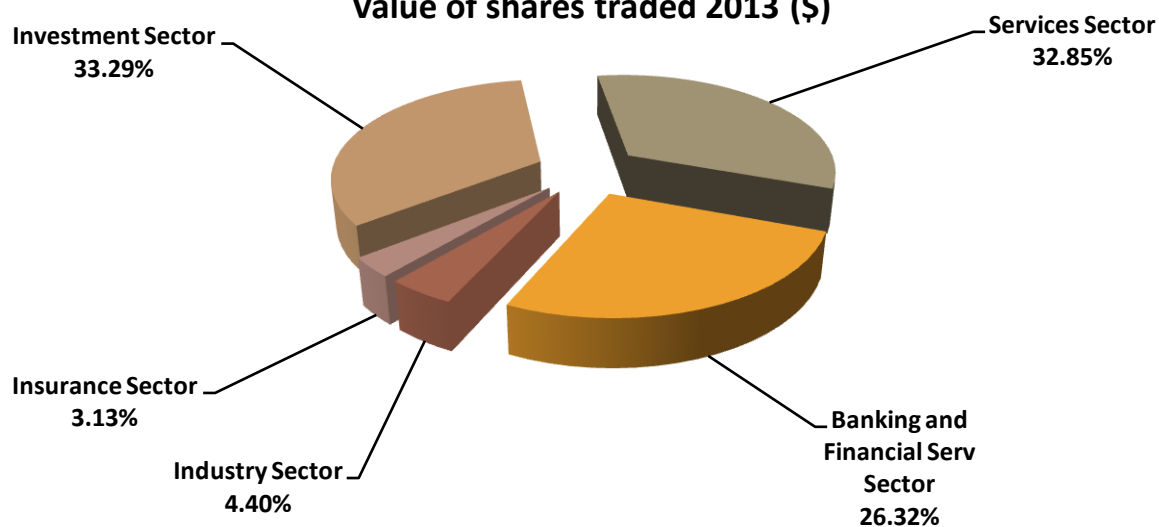
PEX Sectors

Sector	Number of shares traded 2013	Value of shares traded 2013 (\$)	Market Capitalization 31/12/2012
Banking and Financial Services Sector	55,218,127	89,706,366	857,285,505
Industry Sector	7,057,567	15,007,175	276,351,278
Insurance Sector	15,355,249	10,671,780	101,059,750
Investment Sector	99,390,243	113,435,799	496,241,133
Services Sector	25,944,753	111,953,149	1,516,540,720
Total Market	202,965,939	340,774,269	3,247,478,385

Number of shares traded 2013



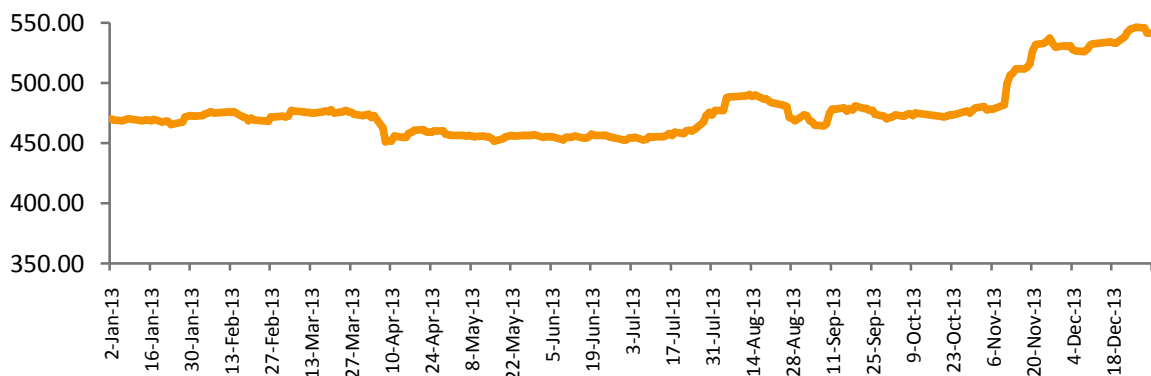
Value of shares traded 2013 (\$)



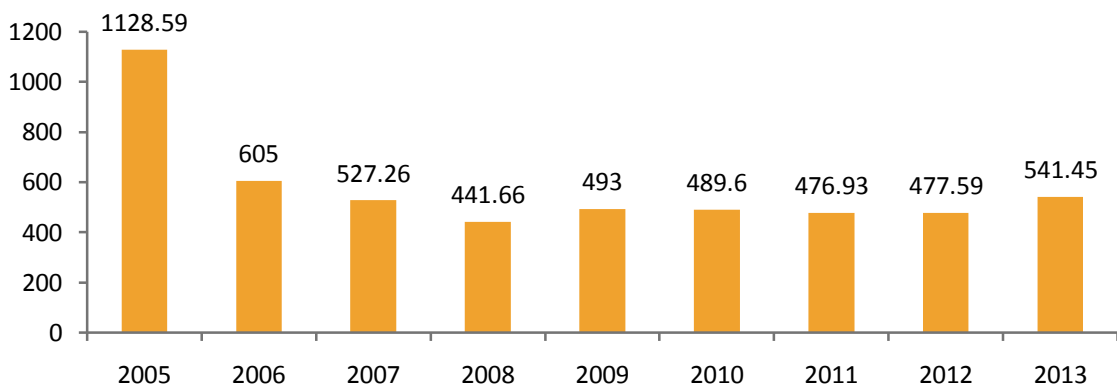
Comparison with previous years

Year	Number of Trades	Number of Traded Shares	Value of Traded Shares (\$)	Daily Avg. Value of Traded Shares (\$)	Market Capitalization (\$)
2005	166,807	369,567,295	2,096,178,223	8,521,050	4,457,227,305
2006	150,592	222,689,351	1,067,367,951	4,484,739	2,728,811,088
2007	157,300	299,422,814	813,469,090	3,280,117	2,474,679,018
2008	152,319	339,168,807	1,185,204,211	4,857,394	2,123,057,098
2009	88,838	238,877,373	500,393,398	2,034,120	2,375,366,531
2010	82,625	230,516,370	451,208,529	1,812,082	2,449,901,545
2011	61,928	184,544,375	365,648,216	1,474,388	2,782,469,900
2012	41,442	147,304,208	273,440,441	1,098,154	2,859,140,375
2013	44,425	202,965,939	340,774,269	1,414,001	3,247,478,385

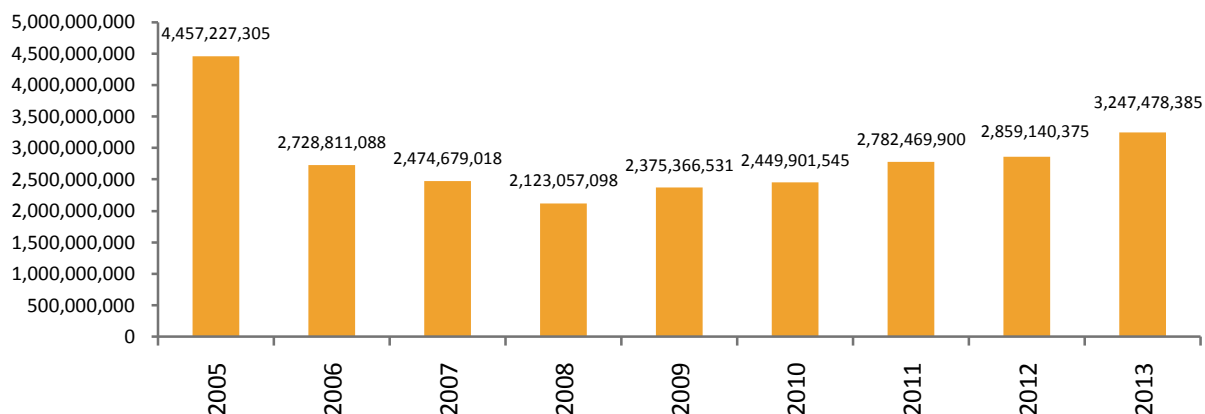
Daily Closing Values of Al-Quds Index 2013



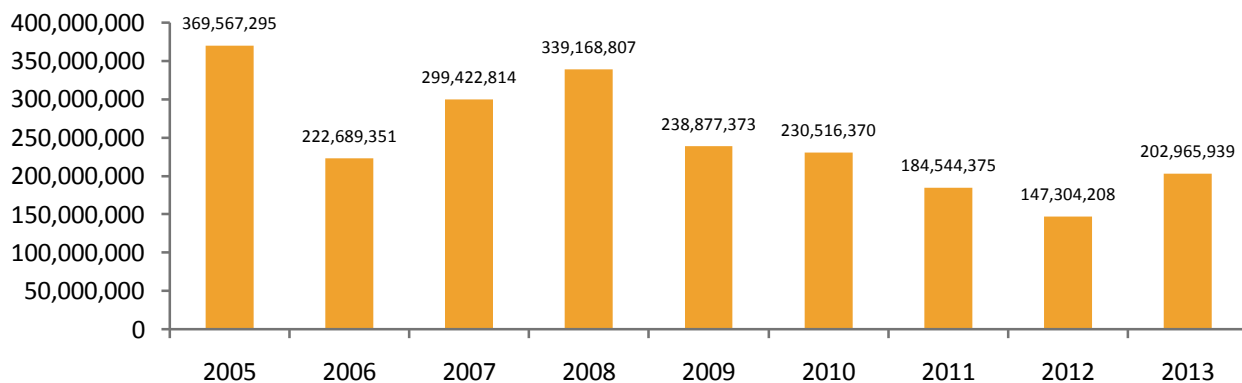
AL Quds Index (2005-2013)



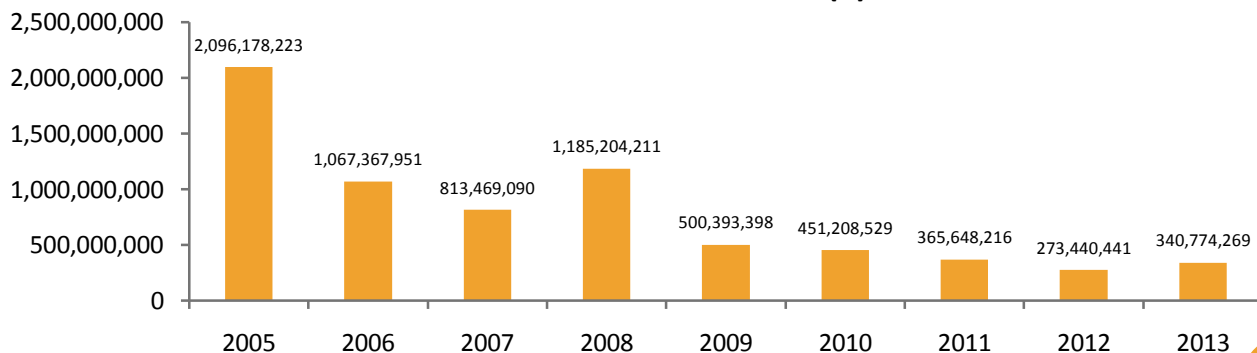
Market Capitalization (USD)



Number of Traded Shares



Value of Traded Shares (\$)



Company name	Symbol	Currency	Low Price	High Price	Close Price	Previous Close	Change(%)	Number of Trades	Number of Traded Shares	Value of traded shares (\$)	Market Capitalization (\$)
AL-Wataniah Towers	ABRAJ	USD	0.86	1.03	1.03	1.02	0.98%	56	12,458	12,227.67	11,330,000
The Arab Hotels	AHC	JD	0.47	0.87	0.86	0.61	40.98%	92	1,053,740	777,250.56	23,867,917
Arab Islamic Bank	AIB	USD	0.83	1.27	1.15	0.92	25.00%	700	4,651,838	4,991,377.43	56,027,526
Ahliea Insurance Group	AIG	USD	0.16	0.22	0.16	0.20	-20.00%	847	8,176,105	1,556,245.37	6,400,000
Arab Paint Products	APC	JD	2.45	3.4	3.4	2.52	34.92%	27	48,956	191,335.64	7,193,229
Al - Aqariya Trading Investment	AQARIYA	JD	0.59	0.82	0.82	0.81	1.23%	259	517,816	516,308.74	5,099,911
Arab Investors	ARAB	JD	0.9	0.98	0.97	0.99	-2.02%	47	38,605	52,371.68	12,931,956
Arab Real Estate Establishment	ARE	JD	0.33	0.42	0.38	0.43	-11.63%	29	169,065	94,359.65	508,573
Palestine Poultry	AZIZA	JD	1.97	3	2.94	2.46	19.51%	77	74,677	256,331.77	55,731,443
Bank Of Palestine	BOP	USD	2.75	3.33	3.2	2.99	7.02%	6,395	16,767,340	50,402,400.33	480,000,000
Birzeit Pharmaceuticals	BPC	USD	2.6	3.19	3.03	3.19	-5.02%	500	1,520,904	5,737,502.69	56,025,233
Al Shark Electrode	ELECTRODE	JD	2	2	2	1.95	2.56%	19	16,704	47,119.89	2,115,656
GlobalCom Telecommunications	GCOM	USD	0.18	0.4	0.18	0.32	-43.75%	2,367	4,289,630	1,145,543.17	1,007,205
Golden Wheat Mills	GMC	JD	0.68	0.97	0.9	0.69	30.43%	470	1,186,061	1,316,731.42	19,040,900
Global United Insurance	GUI	USD	1.23	1.5	1.46	1.20	21.67%	125	156,937	212,684.36	9,033,750
Grand Park Hotel & Resorts	HOTEL	USD	--	--	--	--	--	0	0	0.00	6,000,000
Palestine Islamic Bank	ISBK	USD	0.91	1.56	1.54	1.02	50.98%	2,481	16,209,182	18,604,048.29	77,000,000
Jerusalem Cigarette	JCC	JD	1.02	1.34	1.1	1.04	5.77%	1,581	1,894,003	3,176,254.94	15,514,807
Jerusalem Pharmaceuticals	JPH	USD	1.96	4.1	2.1	3.99	-47.37%	516	647,755	1,808,681.79	35,826,000
Jerusalem Real Estate Investment	JREI	USD	0.59	0.73	0.59	0.76	-22.37%	15	352,809	235,810.71	5,900,000
Palestine Plastic Industries	LADAEN	JD	0.32	0.42	0.33	0.40	-17.50%	73	50,593	25,890.38	3,258,109
Al Mashreq Insurance	MIC	USD	--	--	0.48	0.48	0.00%	0	1,024,688	491,850.24	2,496,000
National Aluminum and Profile	NAPCO	JD	0.6	0.8	0.69	0.78	-11.54%	70	78,823	81,362.47	6,715,091
The National Carton Industry	NCI	USD	0.54	0.93	0.91	0.55	65.45%	664	1,247,206	860,363.95	4,550,000
National Insurance	NIC	USD	3.02	3.79	3.6	3.87	-6.98%	225	524,550	1,700,046.26	43,200,000
Nablus Surgical Center	NSC	JD	1.05	1.1	1.1	1.13	-2.65%	11	114,689	177,434.48	4,930,316
Palestine Development & Investment	PADICO	USD	0.85	1.38	1.35	0.90	50.00%	8,521	87,763,174	100,424,117.52	337,500,000
Palaqar For Real Estate Dev.& Management	PALAQAR	JD	0.69	0.78	0.69	0.82	-15.85%	4	3,475	3,712.97	2,446,765
Palestine Telecommunication	PALTEL	JD	4.64	5.87	5.8	5.15	12.62%	6,537	13,771,979	100,986,654.39	1,076,762,867
Palestine Commercial Bank	PCB	USD	0.65	0.79	0.69	0.76	-9.21%	86	842,371	595,354.96	20,717,979
Palestine Electric	PEC	USD	1.26	1.44	1.42	1.38	2.90%	1,164	1,283,319	1,737,642.34	85,200,000
Dar Al-Shifa Pharmaceuticals	PHARMACARE	USD	3.7	4.65	3.95	0.00	--	187	210,843	875,754.43	33,427,361
Palestine Investment Bank	PIBC	USD	0.8	1	0.88	0.91	-3.30%	122	3,846,070	3,300,302.10	46,640,000
Palestine Insurance	PICO	USD	1.15	1.4	1.15	1.40	-17.86%	29	1,905,386	2,482,269.38	5,750,000
Palestine Investment & Development	PID	JD	1	1.07	1.01	1.00	1.00%	87	723,307	1,028,662.70	6,895,377
Palestine Industrial Investment	PIIC	JD	1	2.13	2.06	1.19	73.11%	1,276	3,051,567	6,483,168.18	54,478,129
Arab Palestinian Shopping Centers	PLAZA	JD	0.51	2	1.72	0.55	212.73%	16	42,031	82,467.54	16,981,661
Palestine Mortgage & Housing Corporation	PMHC	USD	0.85	0.95	0.95	0.85	11.76%	6	1,583,700	1,386,239.00	19,000,000
Palestine Real Estate Investment	PRICO	JD	0.57	0.71	0.66	0.70	-5.71%	1,486	2,731,342	2,476,325.37	59,355,760
Palestine Securities Exchange	PSE	USD	4.99	5.1	4.99	5.10	-2.16%	4	11,532	57,566.68	49,900,000
Al Quds Bank	QUDS	USD	0.74	1.06	0.99	0.90	10.00%	604	3,157,945	2,748,989.19	49,500,000
Ramallah Summer Resorts	RSR	JD	2.95	3.3	3.25	3.00	8.33%	139	416,001	1,836,108.75	16,552,751
Al-Takaful Palestinian Insurance	TIC	USD	1	1.15	1.08	1.03	4.85%	207	3,279,208	3,477,992.69	9,180,000
The National Bank	TNB	USD	0.82	1.19	1.17	0.90	30.00%	1,580	8,148,149	7,620,088.23	58,500,000
Trust International Insurance	TRUST	USD	2.5	2.61	2.5	2.60	-3.85%	12	288,375	750,691.67	25,000,000
Union Construction & Investment	UCI	USD	0.43	0.65	0.44	0.61	-27.87%	1,035	4,211,623	2,219,034.10	14,080,000
The Vegetable Oil Industries	VOIC	JD	5.05	6.55	6.55	5.10	28.43%	77	81,042	629,845.61	36,953,449
Palestinian Distribution & Logistics Srvs	WASSEL	JD	0.79	0.86	0.85	0.85	0.00%	786	313,479	363,421.97	7,792,664
Wataniya Palestine Mobile Telecommunication	WATANIYA	USD	1	1.23	1.02	1.27	-19.69%	2,814	4,474,887	4,736,325.20	263,160,000
								44,425	202,965,939	340,774,269	3,247,478,385