

**MONTHLY
MARKET
BRIEF****A Small Decline****April 2011**

Al-Quds index retreated 0.29% this month and the trading activity reached USD42.3 million after the index gained 3.22% in March and the trading activity topped at USD30.6 million. Meanwhile, the average daily trading activity reached USD2.1 million. In macroeconomics, the Palestinian Central Bureau of Statistics (PCBS) announced an increase of 1.26% in the Producer Price Index (PPI) in March compared to the previous month, and announced a decrease of 0.03% in the Construction Cost Index (CCI) for the same period.

In more news, Palestine Mortgage & Housing Corporation (PMHC) was listed in the banking and financial services sector with USD20 million paid-up capital divided into 20 million shares. In addition, Al-Aqariya Trading Investment Co. (AQARIYA) was listed in the investment sector with JOD5,511,947 paid-up capital divided into 5,511,947 shares. Additionally, Al-Takaful Palestinian Insurance Co. (TIC) will be listed in the insurance sector on May 4, 2011 with USD8.5 million paid-up capital divided into 8.5 million shares.

The investment index was the best performing index after gaining 9.23% this month in addition to the previous month's 3.41% gain. The trading activity reached USD16.7 million and accounted for 40% of the market activity. Palestine Development & Investment (PADICO) was the sector's leader and best performer after gaining 14.78% to close at USD1.32. Arab Investors Co. (ARAB) followed and gained 8.54% to close at JOD0.89. Meanwhile, Palestine Real Estate Investment Co. (PRICO) was the sector's worst performer after dropping 8.33% to close at JOD0.88.

The services index was the worst performing index this month after losing 5.31%. The trading activity reached USD12.3 million and accounted for 29% of the market's activity. Palestine Telecommunications (PALTEL) was the most active in the market and accounted for 24% of the market's activity. PALTEL lost 7.59% to close at JOD4.99. Arab Hotels Co. (AHC) was the market's worst performer after losing 13.95% to close at JOD0.74. Meanwhile, Ramallah Summer resort (RSR) was the sector's best performer after gaining 4.73% to close at JOD2.88.

The industrial index continued its positive performance after gaining 3.21% this month in addition to the previous month's 6.53% gain. The trading activity reached USD2.3 million and accounted for 5% of the market activity. Golden Wheat Mills Co. (GMC) soared after gaining 39.19% to be the market's best performer and to close at JOD1.03. Arab Co. for Paints Products (APC) followed and gained 5% to close at JOD2.10. Meanwhile, Palestine Plastic Industrial (LADAEN) was the sector's worst performer after losing 4% to close at JOD0.48.

After gaining 1.37% the previous month, the insurance index reversed course and dropped 0.89% this month. The trading activity was thin and accounted for 1% of the market activity. Trust International Insurance (TRUST) was the sector's worst performer after dropping 13.61% to close at USD2.73. National Insurance co. (NIC) followed and lost 7.16% to close at USD3.50. Meanwhile, Ahlicia Insurance Group (AIG) was the sector's only advancer after gaining 5.71% to close at USD0.37.

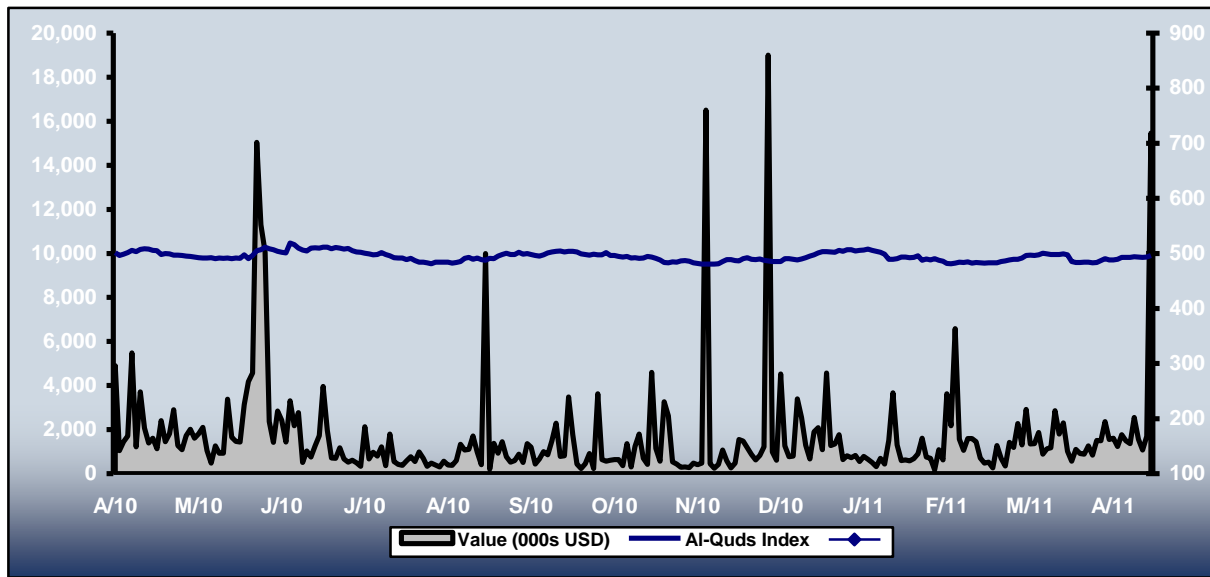
The banking index rebounded this month and gained 5.91%. The trading activity reached USD10.8 million and accounted for 26% of the market activity. Bank of Palestine (BOP) was the sector most active and accounted for 15% of the market activity. BOP gained 7.58% to close at USD3.69. Arab Islamic Bank (AIB) was the sector's best performer after gaining 11.25% to close at USD0.89. Alrafah Microfinance Bank (AMB) followed and gained 8.11% to close at USD0.80. Meanwhile, Palestine Commercial Bank (PCB) was the sector's only decliner after dropping 2.50% to close at USD0.78.



**Al Arabi Investment
Group**

"Member of the Arab Bank Group"

research@ab-invest.net
brokerage@ab-invest.net



Company Name	Close	Change (%)	Turnover (USD)	Turnover (Shares)
Most Active				
Palestine Telecommunications Group	JOD4.99	-7.59	10,175,521	1,440,856
Palestine Development & Investment	USD1.32	14.78	9,175,790	7,193,848
Bank of Palestine	USD3.69	7.58	6,501,486	1,820,304
Biggest Movers				
Golden Wheat Mills	JOD1.03	39.19	995,506	759,133
Palestine Development & Investment	USD1.32	14.78	9,175,790	7,193,848
Arab Hotels Co.	JOD0.74	-13.95	19,753	18,269

Sector Index	Open	Close	Change (%)	Change (Points)
Banking & Financial Services	94.92	100.53	5.91	5.61
Industrial Index	68.17	70.36	3.21	2.19
Insurance Index	45.82	45.41	-0.89	-0.41
Investment Index	23.94	26.15	9.23	2.21
Service Index	51.39	48.66	-5.31	-2.73

PSE Index Performance	
Al Quds Index Value 28-04-2011	496.25
Monthly Change (%)	-0.29
YTD (%)	1.36
Y-o-Y (%)	-3.06
Base Year - Jul. 1997	100
Historical P/E	11.58

P/E: Market capital weighted P/E.
Above 80% of the total market capitalization

Trading Activity	
Volume (shares)	22,622,077
Volume (JOD)	30,008,868
Volume (USD)	42,312,503

Market Breadth	
Advancers	22
Decliners	13
Unchanged	10

