



HIGHLIGHTS (MARKET STRESS)

Growth in Palestine remains below potential and there are heavy downside risks, as security issues crimp prospects.

One of the major socio-economic issue in the country is high unemployment. The unemployment rate in Palestine increased to 30.2 percent in the first quarter of 2018 compared to 27 percent a year ago. It is the highest jobless rate since the third quarter of 2002.

Consumer prices in Palestine decreased 1.31 percent year-on-year in April of 2018, less than a record fall of 2.11 percent in the previous month and marking the fifth consecutive month of deflation. Inflation Rate in

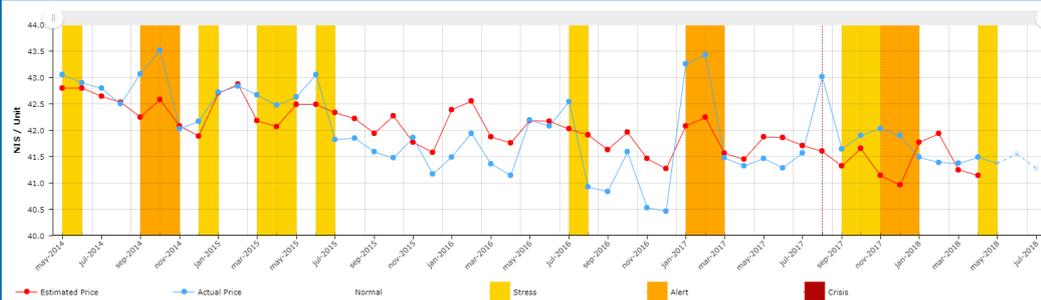
Palestine averaged 3.32 percent from 1998 until 2018, reaching an all time high of 15.08 percent in July of 2008 and a record low of -2.11 percent in March of 2018.

The minimum food basket costs is almost the same in April 2018 compared to April 2017 (0.6 % incremental increase). However, price trends are very different when comparing across governorates. The highest prices are currently found in West Bank, mainly in Bethlehem, Jericho, Ramallah, Nablus, Tulkarm and Qalqiliya.

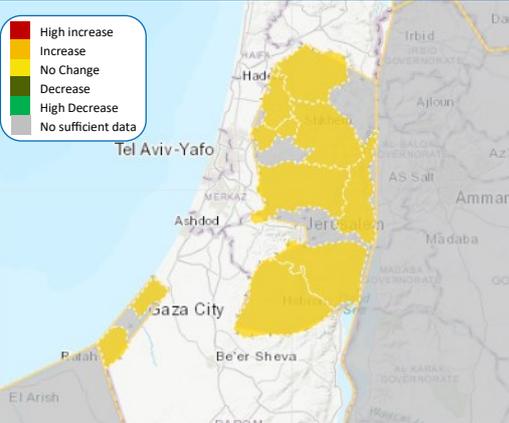
COMMODITY STATUS

FOOD BASKET	STRESS
CHICKPEAS	ALERT
EGGS	ALERT
APPLES	ALERT
CHICKEN	STRESS
BREAD	STRESS
OIL	STRESS
FISH	STRESS

FOOD BASKET PRICE EARLY WARNING AND FORECAST

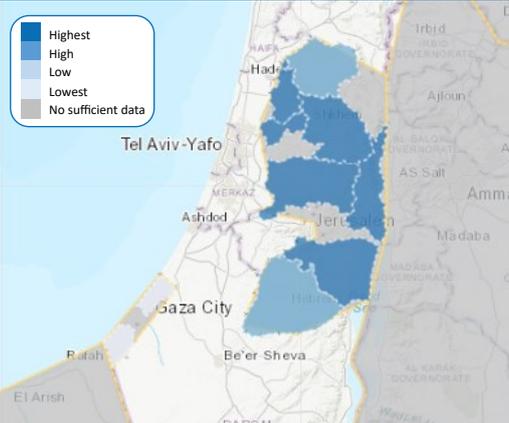


CHANGE IN FOOD PRICES BY GOVERNORATE



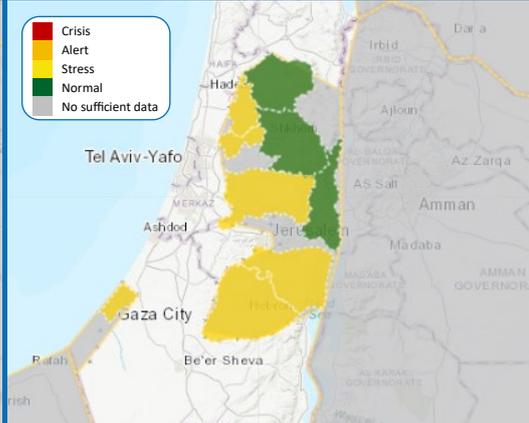
IMPORTS

COST OF FOOD BY GOVERNORATE



UNEMPLOYMENT RATE

FOOD PRICE EARLY WARNING BY GOVERNORATE



EXCHANGE RATE



464.8 mln USD



30.2 %



3.54 NIS/USD