

## Jordan Times Amman Stock Market Weekly Brief

Sunday January 21, 2007

Prices of shares at the [Amman Stock Exchange \(ASE\)](#) rose this week affected by promising news regarding leading shares and positive expectations for the market's future direction. The ASE index closed at 5831.8 points, up by 5.49 per cent. Market capitalization stood at JD22,249,730,384.

According to the economic freedom report released by the US Heritage Foundation and the Wall Street Journal, Jordan moved up four places to rank 53rd worldwide, while moving up one spot to rank second among Arab nations after Bahrain, and third place on a regional scale.

On a different note, figures released by the [Department of Statistics](#) revealed that the country's trade deficit during the first eleven months of 2006 reached JD4,094.7 million, an increase of around 2 per cent compared to the same period of 2005.

Meanwhile, the [Jordan Securities Commission \(JSC\)](#) has decided to pause considering applications for new brokerage company licenses as of January 16 until the end of the year. This decision comes amid the JSC's efforts to improve the performance of existing brokerage companies that faced some difficulties last year, as trading volumes declined while the number of active brokerage firms increased significantly. On the trading floor, average daily trading volume increased by 38.6 per cent to reach JD37.503 million. Overall, advancers outnumbered decliners as 86 companies out of 171 advanced, while 70 companies declined.

In the banking sector, [Arab Bank Group's \(ARBK\)](#) net income is expected to reach around \$650 million (JD460.9 million) for 2006, representing growth of 32 per cent compared to 2005 income, and falling in line with our JD459.8 million forecasts for the bank's income for the year. On a related note, Standard and Poor's, the international rating agency, gave ARBK an "A-" long-term credit rating and an "A-2" short-term credit rating. ARBK's share price increased by 9.3 per cent during the week to close at JD22.95. Meanwhile, Jordan Islamic Bank's (JOIB) 15 million additional shares were listed on the ASE as of last Tuesday, thus bringing the bank's listed share capital to JD65 million. JOIB's share price ended the week at JD3.90, up by 1.0 per cent. In the insurance sector, the index decreased by 1.5 per cent to finish the weekly session at 4454.3 points. Moreover, trading volume on Arabian Seas Insurance's (ARSI) share reached JD1.298 million, accounting for 65.6 per cent of total trading volume in the sector. ARSI's share price closed at JD1.73, down by 1.7 per cent.

In the services sector, Tameer Jordan (TAMR) is working to establish a comprehensive residential estate in Aqaba, consisting of 18 thousand housing units built on a 2,000-dunum plot of land. The residential estate, with an estimated cost of JD600 million, will encompass apartments of various sizes aimed at middle-income households, and will also include numerous amenities and services provided to residents of the community. TAMR's share closed at JD2.25, up by 7.7 per cent.

In other news, according to sources associated with the Jordan Telecom Group (JTEL), the group is exploring available options in light of its surplus liquidity which reached JD250 million at the end of September 2006. Noteworthy is that a likely course of action involves reducing the company's paid up capital in order to lower the burden associated with the cost

of capital, in addition to allowing for more efficient employment and investment of working capital. Moreover, telecom experts are anticipating stiff competition and price wars in the fixed line market this year as three companies are expected to penetrate the market and offer wireless telephony services. JTEL's share price closed at JD4.42, up by 2.3 per cent.

In the industrial sector, Ready Mix Concrete and Construction Supplies' (RMCC) preliminary results showed a net income after tax of JD2.34 million for 2006, a year-on-year increase of 254 per cent. Furthermore, the company's board of directors plans to propose a cash dividend distribution of 15 per cent of paid-up capital. RMCC's share price declined by 2.3 per cent to end the week at JD4.30.