

Amman Stock Exchange

Prices of shares at the [Amman Stock Exchange \(ASE\)](#) dropped for the second week in a row, with the banking sector index recording the steepest decline. The ASE index closed out the week at 6185.8 points, a decrease of 1.72 per cent. Market capitalization stood at JD23.6 billion.

According to the Ministry of Finance, the government's budget deficit narrowed by 6.9 per cent during 2006 to JD443.6 million, representing 4.4 per cent of the year's gross domestic product (GDP). This compares to a budget deficit of JD476.8 million, or 5.3 per cent of GDP a year earlier.

The lower budget deficit came because of the 23.5 per cent increase in domestic revenues, which more than offset the 39.2 per cent decline in foreign grants during the year.

The Department of Statistics reported positive results this month, including the 3.9 per cent drop in the trade deficit to JD336.7 million during January 2007. Other economic news showed a mere 3.25 per cent growth in construction activity in 2006, compared to 23.1 per cent and 22.5 per cent in 2005 and 2004 respectively.

On the Amman bourse-trading floor, the average daily trading volume fell by 23.2 per cent to JD37.6 million. Overall, decliners outnumbered advancers as 99 companies out of 179 declined, while 60 companies advanced.

In the banking sector, [the Social Security Corporation \(SSC\)](#) and Arab Bank came to an agreement regarding the share price to be paid by the SSC for two million of Arab Bank's 5.7 million treasury shares intended for sale.

Arab Bank board of directors announced that negotiations with a potential strategic partner to increase the bank's paid-up capital by 10 per cent ended as the parties failed to reach an agreement concerning the share purchase price. Arab Bank's share price closed at JD24.90, down by 2.96 per cent.

Under an agreement signed with the Housing and Urban Development Corporation, Bank of Jordan will extend housing loans to enable limited-income citizens to purchase and build residential units as part of the corporation's projects. Bank of Jordan's share price finished the week at JD3.31, down by 2.36 per cent.

In the insurance sector, the general assembly of Jordan International Insurance Company approved the distribution of 3.5 million bonus share. However, the companies' comptroller expressed reservations over the distribution as a large portion of the company's income represents unrealized gains. The share price of Jordan International Insurance closed at JD1.85, down by 7.50 per cent for the week.

In the services sector, Arab Real Estate Development Co. announced that Sheikh Nahyan Ben Mubarak Al Nahyan purchased 1.5 million of the company's shares to enter as a strategic partner with a 7.5 per cent stake. The company's share price increased by 4.70 per cent to close at JD2.45.

Jordan Duty Free Shops reported net income of JD5.2 million for 2006, an increase of 25 per cent from the JD4.1 recorded in 2005. The company's general assembly approved a 60

per cent cash dividend worth JD3 million to shareholders. The share price of Jordan Duty Free Shops closed at JD9.70, down by 2.81 per cent.

Century Investment Group achieved JD1.06 million in net income for 2006, a year-on-year growth of 13.6 per cent.

As for the industrial sector, profits of Jordan Phosphate Mines grew by 54.8 per cent during 2006 to JD16.1 million. The company's board of directors proposed the distribution of JD7.5 million as cash dividends. The share price of Jordan phosphate ended the week at JD4.35, up by 0.93 per cent.

The general assembly of Union Tobacco and Cigarettes Industries general approved a 40 percent cash dividend distribution, as the company registered net profit of JD7.2 million last year. Union's share price dropped by 5.48 per cent, to close at JD5.69.

Sunday, March 18, 2007