

## *weekly analysis*

### **Amman Stock Exchange**

The index of the [Amman Stock Exchange \(ASE\)](#) dropped last week, driven down by the heavy weight [Arab Bank](#) share price. The index closed on the last day of trading at 5791.16 points, a decline of 1.68 per cent.

Market capitalization fell by 1.46 per cent last week to JD22.4 billion.

Real estate and services were the only two sectors whose indices recorded gains as they increasing by 0.91 per cent and 0.78 per cent respectively.

The diversified financial sector was the biggest loser as its index recorded a loss of 2.35 per cent by the end of the week amid low trading volumes.

As for trading activity, 14.649 million shares exchanged hands while average daily trading value rose by 12 per cent to JD34.1 million. Overall, decliners outnumbered advancers as 86 companies out of 181 declined, while 82 advanced.

In terms of value traded by sector, the real estate sector came in first place accounting for 35.1 per cent of the total value traded followed by the banking sector with 18.6 per cent. The services sector accounted for only 18.4 per cent of the value traded last week.

Shares of Int'l Arabian Development and Investment, Ittihad Schools and Tameer Jordan were the most actively traded last week for a combined value of JD14.978 million accounting for 8.78 per cent of the week's total value traded.

Additionally, several block deals were executed during the week; the most significant were deals on shares of Jordan Ahli Bank, Middle East Complex and Tameer with transaction values of JD10.04 million, JD8.39 million and JD2.25 respectively.

During the World Economic Forum, Jordan signed 24 strategic business agreements valued at over \$2.5 billion. The investment agreements were signed with companies from the United Arab Emirates, Saudi Arabia, Kuwait, Turkey, the US, Ireland, France, the UK, Japan, China and India covering energy, transportation, finance and light industry sectors.

The government will launch a JD8 million-development scheme this year to tackle poverty in 16 of the country's most impoverished

communities. The plan will involve upgrading infrastructure, training and capacity building, and funding income-generating activities.

Arab Bank acquired 10 per cent of Al Faris National Company for Investment and Export and has become a strategic partner. The bank's share price closed at JD22.45, down by 3.32 per cent, while the company's share price closed up by 6.29 per cent.

During a chain of several big block deals on shares of the [Jordan Al Ahli Bank](#), [Byblos Bank](#) (Lebanon) acquired a strategic share, which is on the rise. So far they have gained 10 million shares which comes to 9.4 per cent of the paid up capital (JD110 million). The share price of Jordan Al Ahli Bank closed at JD3.18 up by 0.95 per cent.

Jordan Cement Factories suddenly raised the price of cement by JD4- JD8 per tone. The company attributed the rise to the hike in fuel oil price (by 12 per cent) which constitutes 70 per cent of the total production cost.

Other reasons for the rise were the cost of labor which increased by five per cent and the rise in the inflation rate from last year reaching 6.25 per cent. The share price of the cement company dropped by 3.52 per cent to close at JD12.05 whilst trading at a forward P/E multiple of 21.7x.

Middle East Complex for Engineering, Electronics and Heavy Industries attracted the UAE company Al Mal Capital as a main strategic partner with 10 per cent of its shares resulting in the two UAE companies having a combined share of 22 per cent.

In addition, a main local partner "Ein Al Ghad" acquired 10 per cent as well. The company's share price dropped by 6.9 per cent to close at JD2.16.

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