

Jordan Times Amman Stock Market Weekly Brief

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Despite the continuing regional turmoil, the Amman Bourse inched up last week as public shareholding companies showed mixed results. The Amman Stock Exchange (ASE) index finished the week at 5872.2 points, up by 0.30 per cent. The market capitalization stood at JD22.1 billion.

The Securities Depository Centre (SDC) introduced a new service that enables investors to view and enquire about their holdings. The service on the SDC website also allows the investors to obtain a statement of account including the transaction executed on it.

According to the monthly report of the Companies' Comptroller, the capital of companies registered in July went up by 267 per cent compared to the same month of last year.

The average daily trading at the ASE increased by 17.4 per cent to JD58.55 million. Overall advancers outnumbered decliners as 101 companies out of 164 advanced, while 54 companies declined.

All the Jordanian banks listed on the ASE have so far announced their semiannual results. Profits of nine banks dropped with the Industrial Development Bank recording the worst decline as its profits fell by 59.1 per cent to JD2.2 million compared to the same period last year.

The remaining six banks reported better results including Jordan Kuwait Bank which recorded a 64.5 per cent increase in semi-annual profit to JD21.1 million compared to JD12.8 million in the first six months of 2005.

Societe Generale de Banque Jordanie recorded a JD1.7 million profit in the first six months of this year, a growth of 97 per cent over the same period last year.

Jordan Insurance, the largest in the sector in terms of market capitalization, posted a sharp drop in semiannual profits which dropped by 93 per cent to JD614,000. This drop is due to reduced investment income affecting the whole insurance sector which suffered from the current conditions at the ASE.

In the services sector, the deterioration in the results of the companies continued for the second quarter of this year as leading companies posted sharp declines.

The semiannual results of Union Investment Corporation showed a loss of JD30 million compared to a profit of JD52.8 million during the same period of last year.

Profits of United Arab Investors for the period dropped by 71.9 per cent to JD10.1 million.

The public offering of Jordan Telecom's 7 million shares was extended for three days because it was not covered within the original period of time. The extension was seen as a

sign of investors' dwindling faith in the market as regional conditions and the semiannual results of the companies take their toll.

In the industrial sector, companies not depending on investment income showed growth in their semiannual results.

Jordan Cement Factories showed a growth of 19 per cent in its net income for the period to JD31.1 million compared to JD26.1 million for the same period last year.

Jordan Steel achieved a 16 per cent increase in its pretax profit for the first six months of 2006 to JD2.45 million compared to JD2.11 million in 2005.