

Jordan Times Amman Stock Market Weekly Brief

September 17, 2006

Share prices at the Amman Stock Exchange (ASE) declined this week amid a correction that caused the market to retract part of its gains in recent weeks. The ASE index finished the weekly trading session at 6317.9 points, a decrease of 1.45 per cent. The market capitalization stood at JD23,807,005,664.

The country's trade balance deficit widened by 7.9 per cent to reach JD2,613.9 million during the first seven months of the year, compared to the same period last year. Moreover, the consumer price index rose by 6.3 per cent year-on-year during the period between January and August.

On a different note, the Japanese government extended an \$11.3 million grant to Jordan to support the country's balance of payments as part of the Japanese Non-Project Grant Aid program.

In other news, [the Securities Depository Centre \(SDC\)](#) announced the success of its trials to connect the local stock market with the Dubai and Abu Dhabi bourses, amid efforts to enable common listing between the exchanges. On the trading floor, average daily trading volume decreased by 14.7 per cent reaching JD60.898 million. Overall, decliners outnumbered advancers as 87 companies out of 167 declined, while 67 companies advanced.

In the banking sector, the index declined by 1.59 per cent to finish the week at 12,512.6 points, affected by the 1.86 per cent drop in the heavyweight [Arab Bank's \(ARBK\)](#) share price which closed at JD25.31. [Jordan National Bank \(JONB\)](#) signed a strategic partnership agreement with Abraaj Capital - UAE, after 8 million JONB shares were allocated to the company, bringing its stake in the bank's JD110 million paid-up capital to 10.7 per cent.

The partnership falls in line with the bank's efforts to expand into regional markets, both in terms of banking operations, as well as listing its shares in the UAE bourses. JONB's share price closed at JD3.05 up by 3.39 per cent, while the share trades at a P/E multiple of 12.72x based on our earnings forecasts for 2006

In the insurance sector, a forum of Arab insurance regulatory commissions was established with the participation of 12 Arab countries including Jordan. Jordan's Insurance Commission will head the forum, which aims to enhance cooperation and ties between the regulatory agencies.

In terms of trading volume, Arab American Takaful Insurance (ARAI) was the most heavily traded stock, accounting for 81 per cent to the sector's total trading volume. ARAI's share price closed at JD2.16, slightly up by 0.93 per cent.

In the services sector, United Arab Investors (UAIC) signed a memorandum of understanding to participate in a consortium of Arab and foreign companies in a tender offer to develop, expand, and manage [Queen Alia International Airport's](#) various trade and services locations.

UAIC's share price finished the week at JD3.54, down by 8.53 per cent. Investors & Eastern Arab for Industrial & Real Estate Investments (IEAI) signed a memorandum of understanding with Babel Contracting Establishment through which the establishment will construct buildings and metal hangars for the [Al-Mushatta Industrial City](#) project near the airport.

Furthermore, Middle East Diversified Investment Company's (MEDI) 2 million shares were listed in the second market on Wednesday. MEDI's share price closed at JD4.01, up 1.52 per cent from the opening price on its first day of trading.

Noteworthy is that Jordan Securities Commission (JSC) approved the registration of Jordan International Investment Company's shares, while it rejected the registration of First Jordan Investment Company's and Arab American Brokerage Company's shares. As for the industrial sector, Jordan New Cable Company (JNCC) signed a contract to supply Saudi Electricity Company with SAR93 million worth of electric cables. JNCC's share price rose by a slight 0.87 per cent to close at JD5.80.