

Jordan Times Amman Stock Market Weekly Brief

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[The Amman Stock Exchange \(ASE\)](#) index rose slightly this week despite the expectations of third-quarter results that are lower than last years. The index closed at 6120.57 points up by 0.60 per cent. The market capitalization stood at JD23,257,742,965.

On the economic front, the real estate sector continued its strong performance as the trading volume reached JD3.7 billion in the first nine months of the year, a rise of 42 per cent over the same period last year.

The acting director of [the Department of Land and Survey](#) expected the total volume of the sector to reach JD5 billion by the end of the year, reflecting the slower activity during the last quarter of the year, especially during Ramadan. On the other hand, statistics published by the ASE showed a net foreign investment during the past nine months of the year of JD150.9 million, compared to JD459.2 million during the same period last year. On the trading floor, the real estate sector controlled 44.3 per cent of the total trading volume for the week followed by the diversified financial services sector with 24.2 per cent. Meanwhile, the average daily trading volume increased by 3.7 per cent reaching JD47.237 million. Overall, decliners outnumbered advancers as 82 companies out of 167 declined, while 71 companies advanced.

In the banking sector, the Arab National Bank (ANB) of Saudi Arabia, an affiliate of [the Arab Bank \(ARBK\)](#), announced an increase of 14 per cent in its third-quarter results over the same quarter last year. ANB's profit for the nine months ended 30/9/2006, reached SR1.95 billion, equivalent to JD367.8 million. Meanwhile, ARBK and [Saraya Holding](#) have formed the board of directors of the Saraya Real Estate Fund. The fund, which was launched as a Bahraini closed-end investment fund, collected \$250 million during the private subscription and will be managed by [Atlas Investment Group](#). On a different note, Capital Bank's (EXFB) stock price was the sectors top gainer as it rose by 15.8 per cent to reach JD2.34 with a forward P/E of 11.8x. In the insurance sector, [the Insurance Commission](#) announced its intention to issue a new legislation that governs the relationships between the different parties in an insurance contract. This legislation is expected to have a positive effect on the insurance companies in the medium to long term. The sector index dropped by 2.26 per cent to close at 4597.9 points.

In the services sector, Comprehensive Land Development (ATTA) announced its intention to raise its paid up capital from JD6 to JD12 million through a public offering. The increase will be used to finance the company's upcoming projects which include: 20 villas in the Dabouk area estimated to cost JD20 million and 2 office buildings that are estimated to cost JD4 million. ATTA's General Manager Omar Naber also announced that a new subsidiary of the company has been established to perform real estate services including land surveying and appraising. ATTA's share price closed at JD2.20 with a forward P/E of 27.5x. On a similar note, Contemporary Housing Co. (COHO) extraordinary general assembly meeting approved the board of directors' recommendation to raise the company's capital from JD3.615 million to JD6 million through a public offering. On the other hand, Middle East Diversified Investment (MEDI) announced its purchase of 98 per cent of Al Rasafa Housing Projects Company, a step that fulfills one of the company's announced objectives. MEDI's share price dropped by 9.1 per cent to stand at JD3.71. In the industrial sector, Arab Chemical Detergents Industries (ACDT) signed an agreement with the German giant Henkel KGaA by

which a new company will be established for the production of detergents, 51 per cent of which will be owned by the German partner and 49 per cent will be owned by ACDT.