

Jordan Times Amman Stock Market Brief

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Amid diminishing investor confidence, the [Amman Stock Exchange \(ASE\)](#) index fell to 5267.3 points last week, the lowest level since the beginning of the year, before closing at 5357.1 points, slightly up by 0.46 per cent compared to the previous week. The market capitalization stood at JD20.55 billion.

A recent World Bank report estimated growth in the Jordanian economy this year at 6.3 per cent compared to 7.3 per cent in 2005 and projected a successive constant growth of 5 per cent during 2007 and 2008.

According to the [Department of Land and Survey](#), sale transactions of real estate increased by 47.5 per cent to JD4.5 billion during the January-November period of this year compared to JD3.05 billion for the same period in 2005.

On the trading floor of the Amman Bourse, average daily trading volume dropped by 2.21 per cent to JD28.5 million. Overall, decliners outnumbered advancers as 97 companies out of 168 declined, while 61 companies advanced.

In the banking sector, [Union Bank for Saving and Investment's \(UBSI\)](#) board of directors gave preliminary approval regarding the negotiations that are taking place with a regional [Arab bank](#) to enter as a strategic partner through issuing new shares and increasing UBSI's paid-up capital. UBSI's share price closed at JD3.93, down by 1.01 per cent, to trade at a forward P/E multiple of 14.3x, according to Capitalinvestments forecasts for the bank's year-end earnings.

The chief executive officer of [Arab Banking Corporation](#) revealed that the bank's 2006 year-end net income would hover around JD10 million, in line with Capitalinvestments JD10.5 million forecast. Based on estimates, the bank's shares are trading at a forward P/E multiple of 10.9x. ABC's share price finished the week at JD2.55, up by 1.59 per cent.

The index of the insurance sector declined by 1.32 per cent to 4306.3 points at the end of last week. [Arab Assurers](#) share price closed at JD1.32, down by 3.65 per cent amid trading that captured 63.6 per cent of the sector's total trading volume.

In the services sector, the general manager of the United Arab Investors (UAI) anticipated a similar net income for 2006 year-end as that of 2005 when it recorded a JD36.3 million in bottom line. UAI's share price finished the week unchanged at JD2.61.

The general manager of United Financial Investments (UFI), announced the acquisition of a 10 per cent stake in the "Brokerage House for Securities," an Abu Dhabi-based brokerage firm, in alliance with Jordan Kuwait Bank which owns more than 50 per cent of the UFI. The share price of the UFI finished the week at JD2.9, down by 3.3 per cent.

Two block deals were executed on 219,000 shares of Investors & Eastern Arab for Industrial & Real Estate Investments, four block deals on 1,041,000 shares of Specialized Investments Compounds, and one block deal on 700,000 shares of Arab Real Estate Development, amounting to JD789,000, JD6,368,000, and JD1,659,000 respectively.

In the industrial sector, Jordan Cement Factories' board of director decided to take JD14.1 million in provisions for employees' early retirement scheme. The local cement market is expected to witness serious competition in the coming two years, as three different cement companies plan to start their operations in the country. The cement share price finished the week at JD12.89, up by 1.1 per cent.