



## Jordan Investor Confidence Index

### Update for February 2021

Confidence in the economy, monetary system, and the capital market are drivers of economic, financial, and business fluctuations. When confidence increases, consumers and investors want to buy and invest at prevailing market prices and vice versa.

Quantitatively, measuring changes in investor confidence is never easy. However, the Jordan Strategy Forum (JSF) measures confidence (monthly) directly by assessing three pillars (and their sub-pillars) and these are the real economy, monetary system, and the capital market.

#### Sub-Pillars of the Real Economy:

1. Capital of companies registered.
2. Number of companies registered.
3. Manufacturing quantity production index.
4. Number of construction permits.
5. Taxes collected from real estate activity.

#### Sub-Pillars of the Monetary System:

1. The inverse ratio of foreign currency deposits held to broad money.
2. Foreign reserves held at Central Bank of Jordan.
3. Difference between the deposit interest rate of the Central Bank of Jordan deposit rate and the Federal Reserve Bank rate.
4. Value of returned cheques in million JOD's

#### Sub-Pillars of the Financial System:

1. Growth in private sector credit.
2. Amman Stock Exchange (ASE) Weighted Stock Market Index.
3. Net change in foreign investment in ASE.

The publication of this index complements the JSF's efforts in promoting higher levels of investment in the Jordanian economy and its business environment.

For the technical reader, and if interested, the methodology is explained in the Forum's website.

*The Jordan Investor Confidence has increased by 7.55 points from 147.6 points in January 2021, reaching 155.1 points in February 2021.*

**1. On average, confidence in the Real Economy has decreased from 134.6 points in January 2021 to 131.8 points in February 2021.**

- a. The capital of registered companies decrease from JD 6.98 million (January 2021) to JD 5.77 million (February 2021).
- b. The number of companies registered decreased from 415 companies (January 2021) to 379 companies (February 2021).
- c. The manufacturing quantity production index decreased from 86.00 points (January 2021) to 83.65 points (February 2021).
- d. The number of construction permits decreased from 2,234 permits (January 2021) to 1,896 permits (February 2021).
- e. Total tax on the monthly real estate volume increased from JD 4.00 Million (January 2021) to JD 4.90 Million (February 2021).

**2. Confidence in the Monetary System witnessed an increase from 191.3 points (January 2021) to 194.3 points (February 2021).**

- a. The CBJ gross foreign reserves dropped from JD 13.06 Billion (January 2021) to JD 12.92 Billion (February 2021).
- b. Interest rate differential between the Jordanian Dinar and the US Dollar increased at by 0.01% to reach 2.42% in February 2021.
- c. The value of returned cheques decreased from JD 105.3 Million (January 2021) to JD 95.8 Million (February 2021).

**3. Confidence in the Financial System increased from 129.8 points in January 2021 to 162.5 points in February 2021.**

- a. The ASE Weighted Index reached 3,237.51 points in February 2021, thereby increasing by 69.47 points from the previous month.
- b. "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE decreased from 98% in January 2021 to reach 80% February 2021.
- c. The growth in private sector credit increased from 0.4% (January 2021) to 1.3% (February 2021), which is the highest increase in the growth rate in the last 4 years.



### Changes in JICI and its Sub-Indices: December 2020 to February 2021

Index Value	December 2020	January 2021	February 2021
JICI	144.6	147.6	155.1
Real Economy	144.6	134.6	131.8
Monetary	182.2	191.3	194.3
Financial	107.1	129.8	162.5

### Jordan Investor Confidence Index and its Sub-Indices since January 2019

