



## Jordan Investor Confidence Index

### Update for March 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 from 155.1 points in February 2021 to 165.2 points in March 2021, or by 10.13 points.**

**1. On average, confidence in the Real Economy has increased from 131.8 points in February 2021 to 152.1 points in March 2021.**

- a. The capital of registered companies increased from JD 5.77 million (February 2021) to JD 278.82 million (March 2021). This was the main contributor to the increase in this Sub-Index.
- b. The number of companies registered decreased from 379 companies (February 2021) to 260 companies (March 2021).
- c. The manufacturing quantity production index increased from 83.65 points (February 2021) to 86.40 points (March 2021).
- d. The number of construction permits increased from 1,896 permits (February 2021) to 2,211 permits (March 2021).
- e. Total tax on the monthly real estate volume remained at JD 4.90 Million since (February 2021).

**2. Confidence in the Monetary System witnessed a decrease from 194.3 points (February 2021) to 193.9 points (March 2021).**

- a. The CBJ gross foreign reserves increased from JD 12.92 Billion (February 2021) to JD 12.93 Billion (March 2021).
- b. Interest rate differential between the Jordanian Dinar and the US Dollar increased by 0.01% to reach 2.43% in March 2021.
- c. The value of returned cheques increased from JD 95.8 Million (February 2021) to JD 117.9 Million (March 2021). This was the main contributor to the decrease in this Sub-Index.

**3. Confidence in the Financial System increased from 162.5 points in February 2021 to 162.8 points in March 2021.**

- a. The ASE's Weighted Index reached 3,279.36 points in March 2021, thereby increasing by 41.86 points from the previous month.
- b. "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE increased from 80% in February 2021 to reach 87% March 2021.
- c. The growth rate in private sector credit decreased from 1.3% (February 2021) to 0.4% (March 2021).



### Changes in JICI and its Sub-Indices: January 2021 to March 2021

Index Value	January 2021	February 2021	March 2021
<b>JICI</b>	147.6	155.1	165.2
<b>Real Economy</b>	134.6	131.8	152.1
<b>Monetary</b>	191.3	194.3	193.9
<b>Financial</b>	129.8	162.5	162.8

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

