

Jordan Investor Confidence Index

Update for August 2018

The **Jordan Investor Confidence Index** is a monthly-issued index published by the **Jordan Strategy Forum** that aims to measure the confidence of investors operating in the Jordanian market through three aspects: confidence in the Jordanian Dinar and the monetary system, confidence in the real economy, and confidence in the Amman Stock Exchange (ASE).

The index measures the impact of policy decisions and exogenous developments on investor confidence. Furthermore, it aims to facilitate a better understanding of investors' challenges and promote a strong decision-making process, be it in policy-making by the public sector or investing decisions by the private sector.

The production of this index complements Jordan Strategy Forum's consistent effort to promote higher levels of investment in Jordan, and a more competitive business environment that can facilitate higher quality of life for all Jordanians.

Jordan Strategy Forum's **Jordan Investor Confidence Index** has decreased in August 2018 to reach 72.39 points in comparison to 75.59 points in July 2018 (3.20 points).

Confidence in the **Real Economy Sub-Index** witnessed a decrease by 1.226 points, to reach 113.95 points, as the number of companies registered in August decreased to reach 395 companies in comparison with 497 registered companies in July, and the number of construction permits decreased to reach 2,036 permits in August in comparison with 2,477 permits in July 2018. Moreover, the capital of companies registered witnessed a decrease to reach 6.8 Million JDs, and the Tax on the monthly real estate volume decreased by 0.5 to reach 7.4 Million JDs in August 2018. On the other hand, the manufacturing quantity production index increased slightly by 0.8 points to reach 95.30 points.

The **Monetary Sub-Index** decreased slightly by 0.165 point to reach 73.38 points in August 2018, despite the increase in CBJ Gross Foreign Reserves by 325.69 Million JDs to reach 11.173.90 Billion JDs for this month. The interest rate differential, however, remained at 4.25% since July 2018.

Confidence in the **ASE Sub-Index** observed a 1.81-point decrease to reach 85.06 points in August 2018, as the ASE index decreased by 22 points to reach 1,985.8 points in August 2018. However, the ratio of inflows to outflows of foreign investment in ASE decreased to reach 117% in August.

The Investor Confidence Index aims to measure the level of confidence investors have in its three sub-indices based on the sub-indices expected values according to its trends since 2007 up until now. A decrease in the value of one of the sub-indices despite increases in its indicators means that the indicators values fell below its expected values according to the trend. Similarly, an increase in any sub-index despite decreases in its indicators means that the indicators' values stay above its expected values according to the trend.

Changes in JICI and its Sub-Indices: June 2018 to September 2018

Index Value	June 2018	July 2018	August 2018
JICI	74.28	75.59	72.39
Monetary	73.99	73.54	73.38
Real Economy	115.31	115.18	113.95
Stock Exchange	84.98	86.87	85.06

Jordan Investor Confidence Index and its Sub-Indices since January 2016

