



Jordan Investor Confidence Index

Update for May 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 for investors 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 May 2018 to reach 80.42 points in comparison to 84.32 points in April 2018 (3.9 points).

The **Monetary Sub-Index** decreased slightly by 0.32 point to reach 74.39 points in May 2018, as the CBJ Gross Foreign Reserves dropped by 267.2 Million JDs to reach 11,207.5 Billion JDs for this month. The interest rate differential, however, remained at 4.25% since April 2018.

Confidence in the **Real Economy Sub-Index** witnessed a noticeable decrease by 2.2 points, to reach 119.27 points, as the capital of companies' registered witnessed a decrease to reach 6.3 Million JDs in May 2018, and the number of construction permits decreased to reach 2181 permits in May 2018 in comparison with 3155 permits in April 2018. In addition, the number of companies registered in May 2018 decreased to reach 429 companies in comparison with 525 registered companies in April. Tax on the monthly real estate volume also dropped by 1.1 to reach 7.6 Million JDs in May 2018. However, the manufacturing quantity production index increased slightly by 2 points to reach 89 points.

Confidence in the **ASE Sub-Index** observed a 1.37-point decrease to reach 86.76 points in May 2018, as the ASE index decreased noticeably by 95.54 points to reach 2095.98 points in May 2018. The ratio of inflows to outflows of foreign investment in ASE remained at 95% since April 2018.

It is worth mentioning that 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: March 2018 to May 2018

Index Value	March 2018	April 2018	May 2018
JICI	85.48	84.32	80.42
Monetary	75.06	74.71	74.39
Real Economy	121.80	121.47	119.27
Stock Exchange	88.62	88.14	86.76

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

