

Jordan Investor Confidence Index

Update for November 2020

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 decreased by 1.50 points from 134.3 points in October 2020, reaching 132.8 points in November 2020.

1. On average, confidence in the Real Economy has increased from 115.6 points in October 2020 to 126.3 points in November 2020.

- a. The capital of registered companies increased from JD 2.30 million (October 2020) to JD 10.99 million (November 2020).
- b. The number of companies registered increased from 97 companies (October 2020) to 318 companies (November 2020).
- c. The manufacturing quantity production index decreased from 84.34 points (October 2020) to 83.00 points (November 2020).
- d. The number of construction permits decreased from 1,906 permits (October 2020) to 1,607 permits (November 2020).
- e. Total tax on the monthly real estate volume increased from JD 4.00 Million (October 2020) to JD 4.30 Million (November 2020).

2. Confidence in the Monetary System witnessed a decrease from 199.3 points (October 2020) to 178.8 points (November 2020).

- a. The CBJ gross foreign reserves dropped from JD 13.06 Billion (October 2020) to JD 13.03 Billion (November 2020).
- b. Interest rate differential between the Jordanian Dinar and the US Dollar remained at 0.00% to reach 2.41% in November 2020.
- c. The value of returned cheques increased from JD 92.8 Million (October 2020) to JD 132.7 Million (November 2020).

3. Confidence in the Financial System decreased from 106.8 points in October 2020 to 100.0 points in November 2020.

- a. The ASE Weighted Index reached 2,898.79 points in November 2020, thereby increasing by 29.25 points from the previous month.
- b. "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE decreased from 116% in October 2020 to reach 54% November 2020.
- c. The growth in private sector credit decreased from 0.3% (October 2020) to -0.1% (November 2020).



Changes in JICI and its Sub-Indices: September 2020 to November 2020

Index Value	September 2020	October 2020	November 2020
JICI	132.8	134.3	133.1
Real Economy	121.0	115.6	126.3
Monetary	190.3	199.3	178.8
Financial	100.0	106.8	100.0

Jordan Investor Confidence Index and its Sub-Indices since January 2018

