

# Jordan Investor Confidence Index

## Update for the 2<sup>nd</sup> Quarter (Q2) of 2024

Confidence in the economy, monetary system, and the financial system is the driver of business fluctuations. When confidence increases, consumers and investors would 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 (quarterly) directly by assessing three pillars (and their sub-pillars). The pillars are the real economy, monetary system, and the financial system. The results are presented between 100 - 200 points.

### Sub-Pillars of the Real Economy:

1. GDP growth rate.
2. Government budget (including grants).
3. Foreign Direct Investment inflows.
4. Manufacturing Quantity Production index.

### Sub-Pillars of the Monetary System:

1. Foreign reserves held at Central Bank of Jordan.
2. Difference between the deposit interest rate of the Central Bank of Jordan and the Federal Reserve (Central Bank of the United States) rate.
3. Value of returned cheques.

### Sub-Pillars of the Financial System:

1. Amman Stock Exchange (ASE) Weighted Stock Market Index.
2. Foreign investment in the ASE.
3. Growth in private sector credit.

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 Index has increased by 26%, from 135.5 points in Q1 2024 to 170.7 points in Q2 2024. Marking its first quarter of growth following five consecutive quarters of decline.**

**1. On average, confidence in the Real Economy Index has increased from 100 points in Q1 2024 to 167.3 points in Q2 2024.**

- Real GDP growth has increased from Q1 2024 levels at 2.0% to 2.4% in Q2 2024.
- The budget deficit stood at JD 342.8 million in Q2 2024. This deficit was equal to JD 318.7 million and JD 428.8 million in Q2 2023 and Q1 2024 respectively.
- Foreign Direct Investment inflows stood at JD 262 million in Q2 2024. Compared to JD 95 million in the previous quarter.
- The Manufacturing Quantity Production index stood at 87.1 points in Q2 2024. This index was equal to 85.3 in Q1 2024.

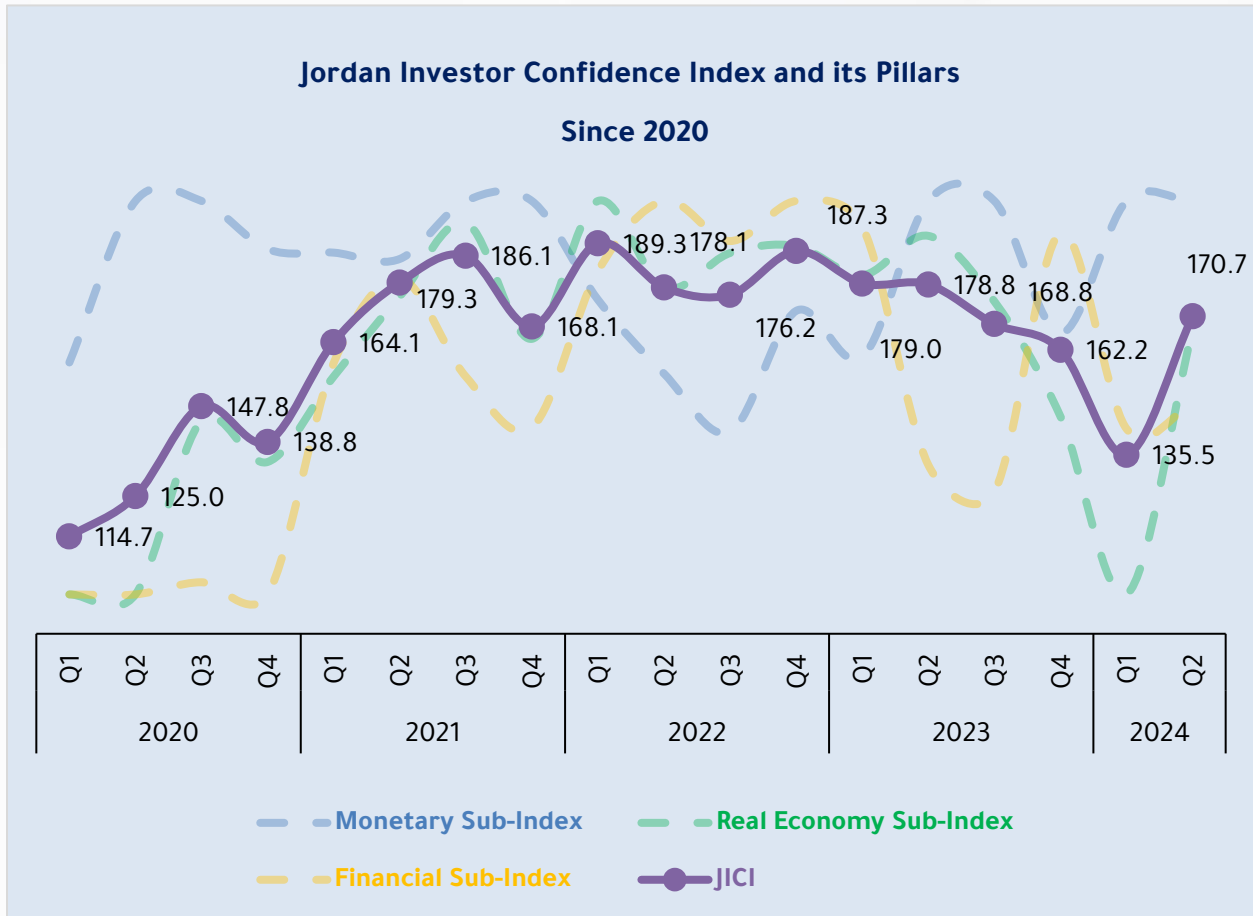
**2. Confidence in the Monetary System Index stood at 200 points in Q2 2024**

- The CBJ gross foreign reserves have increased from JD 13.19 billion (Q1 2024) to JD 13.28 billion (Q2 2024). This increase is equivalent to 0.7%.
- The interest rate differential between the Jordanian Dinar and the US Dollar remained the same in Q2 2024 at 2.17%.
- The value of returned cheques has decreased from JD 398.8 million (Q1 2024) to JD 362.6 million (Q2 2024), which is equivalent to (-9.1%).

**3. Confidence in the Financial System Index has increased from 142.1 points in Q1 2024 to 148.3 points in Q2 2024.**

- The ASE Weighted Index has reached 4,334.7 points in Q2 2024, thereby decreased by (82.3) points from the previous quarter.
- "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE has reached 105% in Q2 2024, compared to 53.8% in the previous quarter.
- Private sector credit reached JD 30.75 billion in Q2 2024. This amount reflects an increase of 0.6% from the previous quarter.

## JICI and its Pillars - Q2 2024 (Points - 200)



[To evaluate the study](#)

