

Jordan Investor Confidence Index

Update for the 3rd Quarter 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 1.7%, from 170.7 points in Q2 2024 to 173.6 points in Q3 2024.

1. On average, confidence in the Real Economy Index has decreased from 167.3 points in Q2 2024 to 161.8 points in Q3 2024.

- Real GDP growth has increased from 2.4% in Q2 2024 to 2.6% in Q3 2024. This index was equal to 2.7% in Q3 2023.
- The budget deficit stood at JD 647.6 million in Q3 2024. This deficit was equal to 695.2 JD million and JD 342.8 million in Q3 2023 and Q2 2024 respectively.
- Foreign Direct Investment inflows stood at JD 301 million in Q3 2024.
- The Manufacturing Quantity Production index stood at 90.6 points in Q3 2024. This index was equal to 87.1 in Q2 2024.

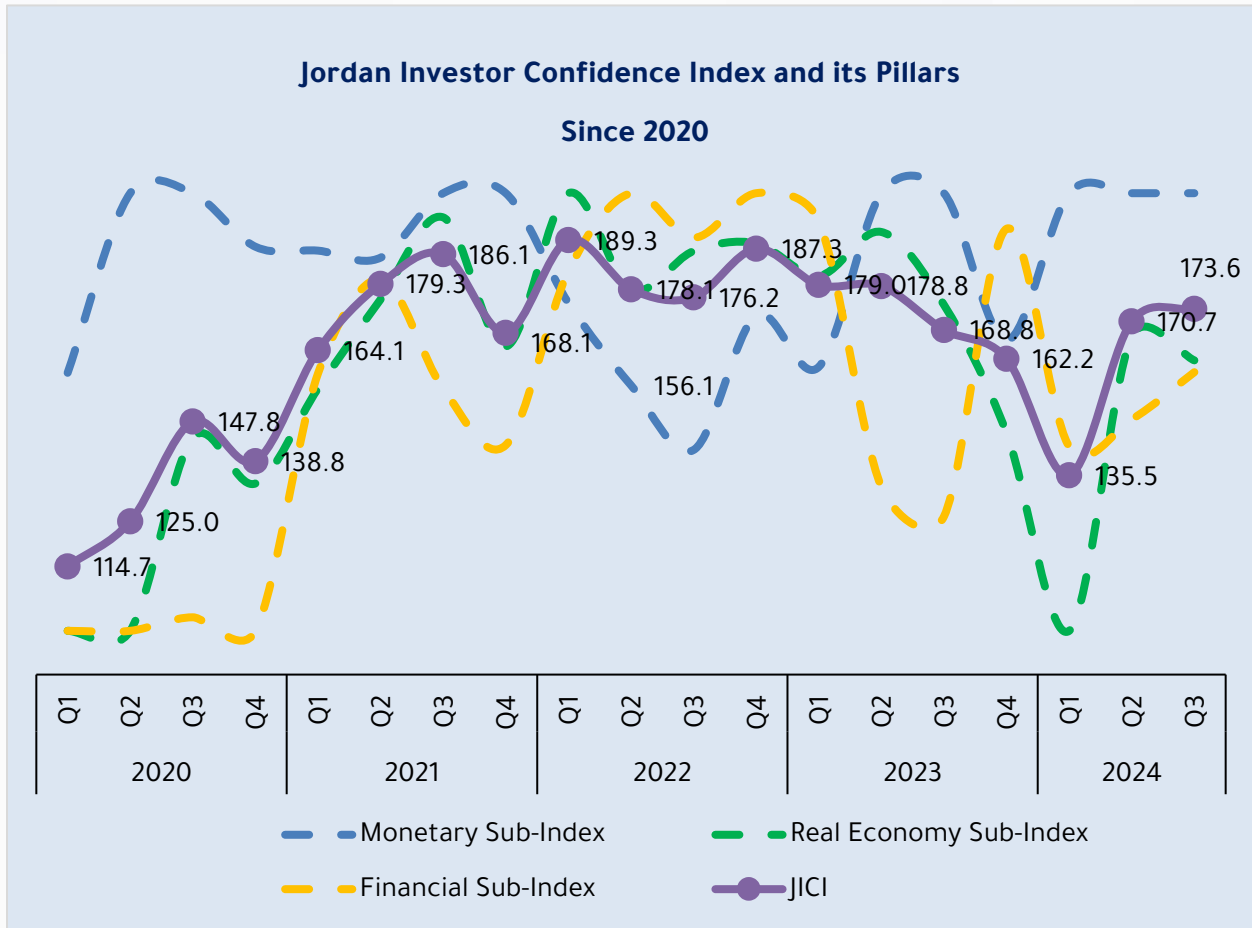
2. Confidence in the Monetary System Index stood at 200 points in Q3 2024

- The CBJ gross foreign reserves have increased from JD 13.28 billion (Q2 2024) to JD 14.35 billion (Q3 2024). This increase is equivalent to 8%.
- The interest rate differential between the Jordanian Dinar and the US Dollar has decreased from 2.17 percent in Q2 2024 to 2.07 percent in Q3 2024.
- The value of returned cheques has increased from JD 362.6 million (Q2 2024) to JD 389.3 million (Q3 2024), which is equivalent to (7.3%).

3. Confidence in the Financial System Index has increased from 148.3 points in Q2 2024 to 159.1 points in Q3 2024.

- Private sector bank credit reached JD 31.42 billion in Q3 2024. This amount reflects an increase of 2.2% from the previous quarter.
- The ASE Weighted Index reached 4,316.5 points in Q3 2024, thereby decreasing by 18.2 points from the previous quarter.
- "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE has reached 75.1% in Q3 2024, compared to 105% in the previous quarter.

JICI and its Pillars - Q3 2024 (Points - 200)



[To Evaluate the Paper](#)

