

# Jordan Investor Confidence Index

## Update for the 4<sup>th</sup> Quarter (Q4) 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 Moved from 173.6 points in Q3, 2024 to 147.6 points in Q4, 2024.**

**1. Confidence in the Real Economy Index stood at 161.8 points in Q3, 2024 and 138.3 points in Q4, 2024.**

- Real GDP increased by 2.7% in Q4, 2024. In Q4, 2023 and Q3, 2024 this increase was equal to 2.3% and 2.6% respectively.
- The budget deficit stood at JD 681.0 million in Q4, 2024. This deficit was equal to JD 463.3 million and JD 647.3 million in Q4, 2023 and Q3, 2024 respectively.
- Foreign Direct Investment inflows stood at JD 293.9 million in Q4, 2024.
- The Industrial Production Index stood at 87.7 points in Q4, 2024. This index was equal to 90.6 in Q3, 2024.

**2. Confidence in the Monetary System Index stood at 199.2 points in Q4 2024 and 200 points in Q3 2024.**

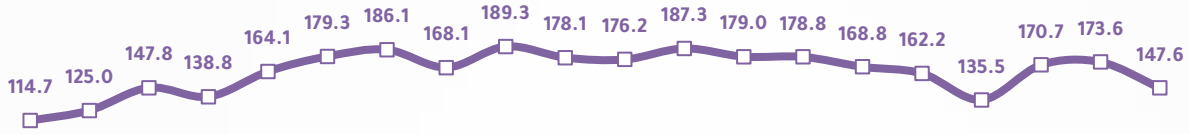
- The CBJ gross foreign reserves have increased from JD 14.35 billion (Q3 2024) to JD 14.89 billion (Q4 2024). This increase is equivalent to 3.8%.
- The interest rate differential between the Jordanian Dinar and the US Dollar has increased from 2.07% (Q3 2024) to 2.10% (Q4 2024).
- The value of returned cheques stood at JD 367.6 million (Q4 2024). This amount was equal to JD 441 million (Q4 2023).

**3. Confidence in the Financial System Index moved from 159.1 points in Q3 2024 to 114.3 points in Q4 2024.**

- Private sector credit stood at JD 31.35 billion in Q4, 2024. This amount was JD 31.42 billion in the previous quarter.
- "Purchased-to-Sold shares by Non-Jordanians" ratio in the ASE has reached 56.4% in Q4, 2024, compared to 75.1% in the previous quarter.
- The ASE Weighted Index reached 4,633.6 points in Q4 2024, thereby increasing by 317.1 points from the previous quarter.

## JICI and its Pillars - Q4, 2024 (Points - 200)

### Jordan Investor Confidence Index Since 2020



2020	2021	2022	2023	2024
Q1	Q2	Q3	Q4	Q1
Q2	Q3	Q4	Q1	Q2
Q3	Q4	Q1	Q2	Q3
Q4	Q1	Q2	Q3	Q4

#### Real Economy Sub-Index



#### Monetary Sub-Index



#### Financial Sub-Index

