

Jordan Investor Confidence Index

Update for July 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 increased in July 2018 to reach 75.59 points in comparison to 74.28 points in June 2018 (1.3 points).

Confidence in the **Real Economy Sub-Index** witnessed a marginal decrease by 0.13 points, to reach 115.18 points, despite that the number of companies registered in July 2018 increased to reach 497 companies in comparison with 285 registered companies in June. In addition, the number of construction permits increased to reach 2477 permits in July in comparison with 1531 permits in June 2018. The capital of companies' registered also witnessed an increase to reach 10.3 Million JDs in July 2018, and the Tax on the monthly real estate volume increased by 3 to reach 7.9 Million JDs in July 2018. Moreover, the manufacturing quantity production index increased by 5.30 points to reach 94.5 points.

The **Monetary Sub-Index** decreased slightly by 0.45 point to reach 73.54 points in July 2018, as the CBJ Gross Foreign Reserves dropped by 284.1 Million JDs to reach 10,848.2 Billion JDs for this month. The interest rate differential, however, remained at 4.25% since June 2018.

Confidence in the **ASE Sub-Index** observed a 1.9 point increase to reach 86.87 points in July 2018, as the ratio of inflows to outflows of foreign investment in ASE increased to reach 400% in July. However, the ASE index decreased by 62.62 points to reach 2007.82 points in July 2018.

It is worth noting that these results are in line with JSF expectations when it released the JICI update for June 2018; JSF pointed out that the Jordan Investor Confidence Index may show some improvement in July after the government has taken measures to revive the Jordanian economy and stimulate growth.

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: May 2018 to July 2018

Index Value	May 2018	June 2018	July 2018
JICI	80.42	74.28	75.59
Monetary	74.39	73.99	73.54
Real Economy	119.27	115.31	115.18
Stock Exchange	86.76	84.98	86.87

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

