

Jordan Investor Confidence Index

Update for September 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 of investors' challenges 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 decreased in September 2018 to reach 70.08 points in comparison to 72.39 points in August 2018 (2.31 points).

Confidence in the **Real Economy Sub-Index** witnessed a decrease by 0.81 points, to reach 113.14 points, as the capital of companies' registered witnessed a decrease to reach 6.5 Million JDs in September 2018, and the manufacturing quantity production index decreased by 0.60 points to reach 94.70 points. However, the number of companies registered in September 2018 increased to reach 418 companies in comparison with 395 registered companies in August. In addition, the number of construction permits increased to reach 2227 permits in September in comparison with 2036 permits in August 2018, and the Tax on the monthly real estate volume increased by 0.7 to reach 8.10 Million JDs in September 2018.

The **Monetary Sub-Index** decreased slightly by 0.32 point to reach 73.06 points in September 2018, as the CBJ Gross Foreign Reserves dropped by 394.60 Million JDs to reach 10,779 Billion JDs for this month. The interest rate differential, however, remained at 4.25% since August 2018.

Confidence in the **ASE Sub-Index** observed a 1.18-point decrease to reach 83.88 points in September 2018, as the ASE index decreased by 10.18 points to reach 1975.6 points in September 2018. However, the ratio of inflows to outflows of foreign investment in ASE increased to reach 143% in September.

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: July 2018 to September 2018

Index Value	July 2018	August 2018	September 2018
JICI	75.59	72.39	70.08
Monetary	73.54	73.38	73.06
Real Economy	115.18	113.95	113.14
Stock Exchange	86.87	85.06	83.88

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

