ASE Performance during 2008

Mr. Jalil Tarif Chief Executive Officer of the Amman Stock Exchange (ASE) said that the ASE achieved positive indicators despite the global financial crisis. During the year 2008 non-Jordanian investment kept their upward trend with a positive net balance, which is a testimony of trust in the Jordan Capital Market and an evidence of the increasing interest of investing at the ASE. The trading value, the number of shares traded, and the number of transactions increased during 2008, as well as the net income before tax of the public shareholding companies during the nine months of the year 2008.

The ASE statistics for the year 2008 showed that the ASE price index weighted by free float shares decreased by 24.9% reaching 2758 points, compared with 3675 points at the end of 2007. As for the price index weighted by market capitalization; it closed the year with 6243 points, a 17% decrease than the 7519 points at the end of 2007. Despite the decline in the shares prices during 2008; the ASE was less affected by the global financial crisis compared to other Arab and international exchanges.

Mr.Tarif added that the ASE price index increased by 30% during the first half of 2008, reached its all time high, this was due to the rise in the stock prices of some industrial companies especially the mining sector which came as a result of the increase of international prices of row materials which participated in the increase of the demand on their shares. Also share prices for a number of companies from different sectors increased due to the price increase of their products prices.

As for sectoral level, the price index declined for the Financial Sector by 29.7%, Services Sector by 17.7% and for Industrial Sector by 11.7%. Most of the sub-sectors indices witnessed a decline in their levels except for Food & Beverage sector and Mining & Extraction Industries sector, which increased by 7.5% and 1.6% respectively. Whereas Real Estate and Diversified Financial Services sectors price indices witnessed a dramatic decrease by 50.4%, 47.6% respectively.

The ASE indicators showed an increase in trading value by 65% compared to the year 2007, reaching JD 20.3 billion, the number of traded shares increased by 22% reaching 5.4 billion shares, and the number of executed transactions increased by 9% reaching 3.8 million compared with the year 2007. The turnover ratio increased slightly to 91.5% compared with 91.2% in 2007, and the number of companies listed on the ASE reached 262 companies compared to 245 companies by the end of 2007.

Tarif said that the ASE market capitalization reached JD25.4 billion a decrease by 13% compared with last year, constituting 226% of the GDP, which is one of the highest ratios that reflect the importance of the ASE in the national economy.

The non-Jordanian net investment marked an increase in 2008 by JD310 million against an increase by JD466 million in 2007. Also, Non Jordanian ownership increased by the end of December reaching 49.2% compared to 48.9% in the year 2007. Pre tax profits for public shareholding companies during the first nine months of the year 2008 witnessed an increase by 37.8% reaching JD1610 million compared to JD1168 million in the same period of 2007.