

WEEKLY  
MARKET  
BRIEF

## Under Pressure

June 25, 2009

The general index surrendered 3.99% in its worst performance over the last three weeks. Large caps suffered the most as the AB-Invest Market Index lost 6.34%. Meanwhile, small caps managed to limit their losses and the AB-Invest Smaller Market Index retreated 1.81% only. The industries index fell by 7.92%, as the mining & extraction index continued its free fall, losing an additional 10.37% after **Arab Potash (APOT)** retreated by 13.88% and **Jordan Phosphate Mines (JOPH)** and **Jordan Steel (JOST)** surrendered 9.96% and 9.72% respectively. Meanwhile, the financials index lost 2.99%, as the banking index suffered a 1.69% drop, and the services index retreated 1.50% only because the utilities & energy index limited its losses to 2.49%.

The trading activity continued to slow down and the average daily trading volume dropped from USD60 million to USD49.6 million. The distribution of activity among sectors remained unchanged from last week for the most part. The contribution of the financials sector remained unchanged at 65%, but the industries sector gained importance at the expense of the services sector. The diversified financials and real estate sectors dominated trading in the financials sector as usual, but the activity of the banking sector surged, as the activity of **Arab Bank (ARBK)** increased to USD14.4 million. The mining & extraction sector was the most active in the industries sector with **JOPH** and **JOST** leading the way. In the services sector, the utilities & energy sector, and especially **Jordan Petroleum Refinery (JOPT)**, were responsible for most of the sector's activity.

Four banks will list new shares on Sunday. The new shares will increase the combined paid-in capital of these four banks by JD25.2 million to JD331.1 million. Increasing the capital base became especially important for banks in the wake of the global financial crisis, because they are looking to protect against any possible increase in defaults and remain able to seize growth opportunities when the economy recovers. The latest data from the insurance sector show that 8 out of 28 insurance companies control 52% of the market with **Arab Orient Insurance (AALI)** leading the way with a 9.7% market share. Moreover, medical insurance witnessed the largest growth at 26%, followed by marine insurance at 24%, and life insurance at 23%. The data comes at a time when 8 companies are adopting a new provision that links motor insurance premiums to the driver's safety record. The adopting of this provision follows a period of heavy losses in the motor insurance segment.

In the real estate sector, demand for cement has fallen by 20% lately, creating a surplus of 3000 tons per day. Meanwhile, Jordan's imports of steel fell 5.6% in the first quarter of the year. The chairman of the Jordanian Cement Traders Association said to Al-Rai newspaper that the lower demand for cement is caused by the conclusion of most of the infrastructure of the mega projects in the country.

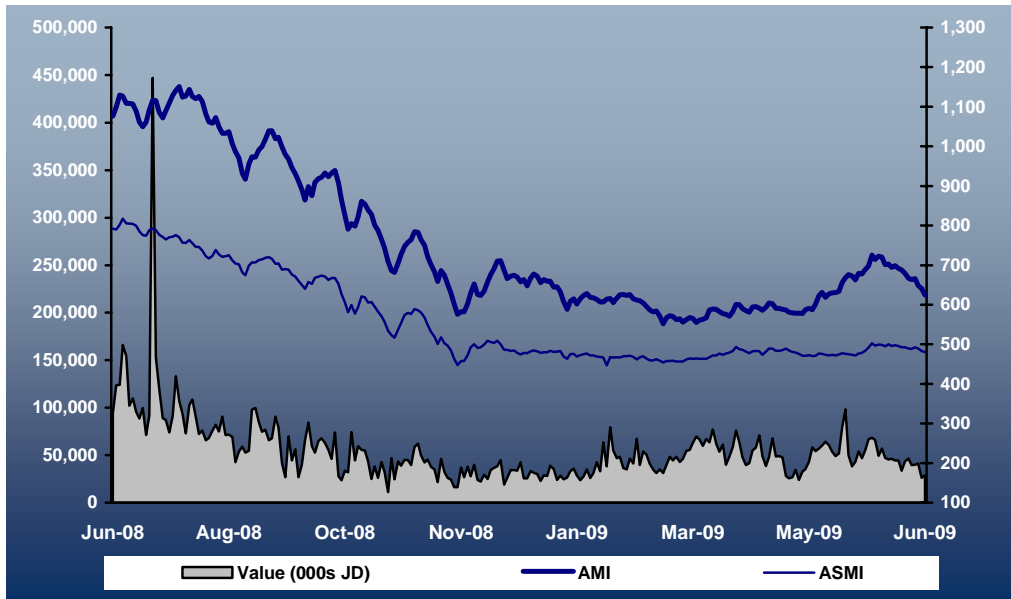
In macroeconomic news debt data for the first five months of the year are mixed. On one hand, foreign debt decreased by JOD87 million, but on the other hand, domestic debt increased JOD309 million and total debt increased by JOD221 million. Meanwhile, revenue data are more encouraging. Local revenue increased 6.6% due to higher income tax revenue and total revenue, including foreign aid, increased 4.5% over the same period. All in all, the budget deficit increased by JOD348 million, as expenditures increased by 16.9%.



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Company Name	High (JD)	Low (JD)	Close (JD)	Change (%)	Turnover (JD)
<b>Best Performers</b>					
AL-ISRA FOR ISLAMIC FINANCE & INVESTME	1.03	0.88	1.02	25.93	1,321,327
WINTER VALLEY TOURISM INVESTMENT	1.27	1.01	1.27	25.74	1,265,626
RESOURCES COMPANY FOR DEV. & INV	1.63	1.34	1.59	21.37	776,091
JORDAN COMMERCIAL BANK	2.05	1.73	2.04	15.91	24,614
<b>Biggest Decliner</b>					
FALCON FOR INVESTMENT & FINANCIAL SER	3.54	2.90	2.90	-22.04	1,104,897
ARAB ORIENT INSURANCE	2.48	2.48	2.48	-22.01	12
AWTAD FOR FINANCIAL & REAL ESTATE INV	1.65	1.36	1.36	-21.39	9,373
JORDAN CLOTHING	1.55	1.21	1.23	-19.61	1,491,097
<b>Most Active</b>					
AL-TAJAMOUAT FOR CATERING & HOUSING	2.70	2.28	2.40	-9.09	16,154,325
CAPITAL BANK OF JORDAN	1.70	1.55	1.68	1.82	10,819,103
ARAB BANK	14.10	12.79	12.99	-6.55	10,224,359
UNITED ARAB INVESTORS	0.98	0.83	0.85	-13.27	9,539,741

Index	AMI	ASMI	ASE
Close	624.39	480.15	2716.36
Change (%)	-6.34	-1.81	-3.99
YTD (%)	-5.14	1.22	-1.53
Y-o-Y (%)	-43.56	-40.68	-43.18
Trailing P/E	14.22	11.72	15.08

AMI: AB Invest Market Index  
 ASMI: AB Invest Smaller Market Index  
 ASE: Amman Stock Exchange Index  
 Trailing P/E: Market capital weighted P/E of index elements

Trading Activity	
Volume (shares)	99,401,798
Volume (JD)	176,031,666
Volume (US\$)	248,204,649

Market Breadth	
Advancers	42
Decliners	145
Unchanged	16

### Trading Volumes

