

**Amman Stock Exchange (ASE)****MONTHLY  
MARKET  
BRIEF****Frigid Month****February 2011**

The temperature was not the only thing that dropped in February. The General Index dropped 5.13% and the Average Daily Trading Volume (ADTV) dropped 40% to USD15 million. The market reacted to a number of events both foreign and domestic. The political unrest in the Middle East and its ramifications that included a sharp rise in oil prices and a deterioration in Jordan's credit standing teamed-up with inadequate corporate results to pressure the market.

The three main sectors suffered, but the financials and industries sectors suffered disproportionately. While the services index dropped 1.51%, the financials and industries indices dropped 5.74% and 5.49% respectively. Disproportionate effects extended to the trading activity where the activity of the services and industries sectors dropped 50% and 53% respectively, as the activity of the financials sector dropped 27%.

The banking index dropped 2.82% as most of its stocks retreated. The drop came in the wake of a 10% drop in the aggregate net income of listed banks in 2010. Despite the apparent bad results, it is worth mentioning that 13 banks posted positive results and 11 banks reported higher income in 2010 than in 2009. Bank of Jordan (BOJX) was one of the bright spots in the banking sector this month after it managed to gain 4.83% and close at JOD3.04.

The financial services index suffered greatly and dropped 18.41%. United Arab Investors (UAIC), the sector's most active stock, dropped 28.95%. Meanwhile, Amwal Invest (AMWL) dropped 33.33% after it posted a preliminary loss of JOD28.7 million; AMWL posted a profit of JOD8.8 million in 2009. The real estate sector was another big loser in February. The sector's index dropped 11.18%, as Resources Company for Development & Investment (JOMA) dropped 36.92%. However, Al-Tajamouat for Catering & Housing Projects (JNTH), which was the sector's most active stock, managed to gain 3.85%.

The services sector buckled under the pressure of big losses in the transportation and commercial services sectors, which dropped 6.26% and 4.12% respectively. Royal Jordanian Airlines (RJAL), the most active transportation stock, dropped 6.17%, as the company reported a 66% drop in net income in 2010 to JOD9.6 million.

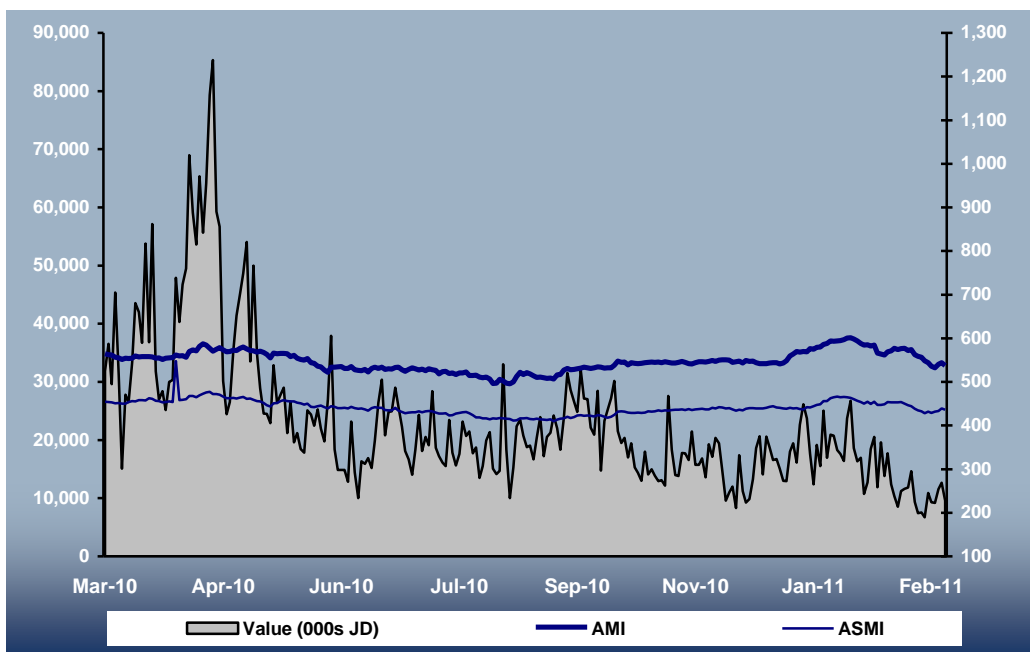
The industries sector had a month to forget after its leading mining & extraction index dropped 9.96%, and the electric industries index dropped 20.7%. However, the tobacco & cigarettes index gained 26.50% as Union Tobacco & Cigarette Industries Company (UTOB) posted an impressive 100% gain to close to JOD4.00. UTOB posted a 98% growth in net income in 2010 to JOD2.3 million.



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Company Name	High (JD)	Low (JD)	Close (JD)	Change (%)	Turnover (JD)
<b>Best Performers</b>					
UNION TOBACCO & CIGARETTE INDUSTRIES	4.00	1.96	4.00	100.00	2,415,967
UNITED INSURANCE	1.17	0.97	1.17	25.81	39,143
JORDAN DUTY FREE SHOPS	20.00	17.58	20.00	16.89	244,378
BABELON INVESTMENTS COMPANY	4.00	3.25	4.00	11.11	1,071,672
<b>Biggest Decliner</b>					
RESOURCES COMPANY FOR DEVELOPMENT	0.68	0.41	0.41	-36.92	538,865
DARWISH AL-KHALILI & SONS COMPANY	0.30	0.19	0.19	-34.48	189,364
AMWAL INVEST	0.35	0.22	0.22	-33.33	1,132,955
THE INVESTORS & EASTERN ARAB FOR INDU	0.64	0.41	0.41	-31.67	5,939,726
<b>Most Active</b>					
MIDDLE EAST COMPLEX FOR ENGINEERIN	0.57	0.35	0.38	-30.91	28,882,538
ARAB BANK	9.80	8.95	9.10	-6.19	18,988,044
AL-TAHAMOUAT FOR CATERING & HOUSING	0.87	0.68	0.81	3.85	13,017,588
UNION LAND DEVELOPMENT	1.65	1.32	1.52	-5.00	7,179,100

Index	AMI	ASMI	ASE
Close	537.44	435.90	2251.73
Change (%)	-4.66	-2.55	-5.14
YTD (%)	-5.56	-1.32	-5.13
Y-o-Y (%)	-4.79	-3.91	-8.87
Trailing P/E	24.15	23.27	28.78

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)	297,034,523
Volume (JD)	206,345,414
Volume (US\$)	290,947,034

Market Breadth	
Advancers	47
Decliners	151
Unchanged	15

