

**Amman Stock Exchange (ASE)****MONTHLY  
MARKET  
BRIEF****Holding Up  
March 2011**

The General Index (Index) dropped for a second consecutive month and the trading activity remained thin, but March was kinder to investors than February thanks to limited losses in the financials sector. The Index dropped 3.38% in March after losing 5.14% in February and ended the first quarter of the year losing 8.34%. The Average Daily Trading Volume (ADTV) rose 10% to JOD12.1 after the trading of the financials sector rose 20%. However, the ADTV remained lower than its highest period in January when it reached JOD18 million.

The financials index dropped 1.44% after losing 5.74% in February. The sector managed to cut back its losses after the diversified financials and real estate sectors managed to cut back their own losses. The diversified financials and real estate indices dropped 18.41% and 11.18% in February, but the diversified financials index gained 0.85% in March and the real estate index dropped 1.30% only. Meanwhile, the insurance index gained 2.26% to lead the financials sector, and the banking index dropped 2.05% after dropping 2.82% in February.

In the banking sector, Jordan Kuwait Bank (JOKB) was one of the most active stocks this month thanks to a 4.8 million share block deal that saw these shares get bought by Odyssey Re Holding Corp from a number of local investors. Also in the banking sector, Arab Bank Group (ARBK) decided to distribute JOD0.2 per share in cash dividend. Meanwhile in the diversified financials sector, Falcon for Investment & Financial Services (FIFS) was the market's top performer in March after gaining 54.55%. FIFS, which saw its losses increase 125% to JOD0.5 million in 2010, is looking to increase its capital from JOD4.125 million to JOD12 million by attracting a strategic partner rather than tapping existing shareholders for the capital.

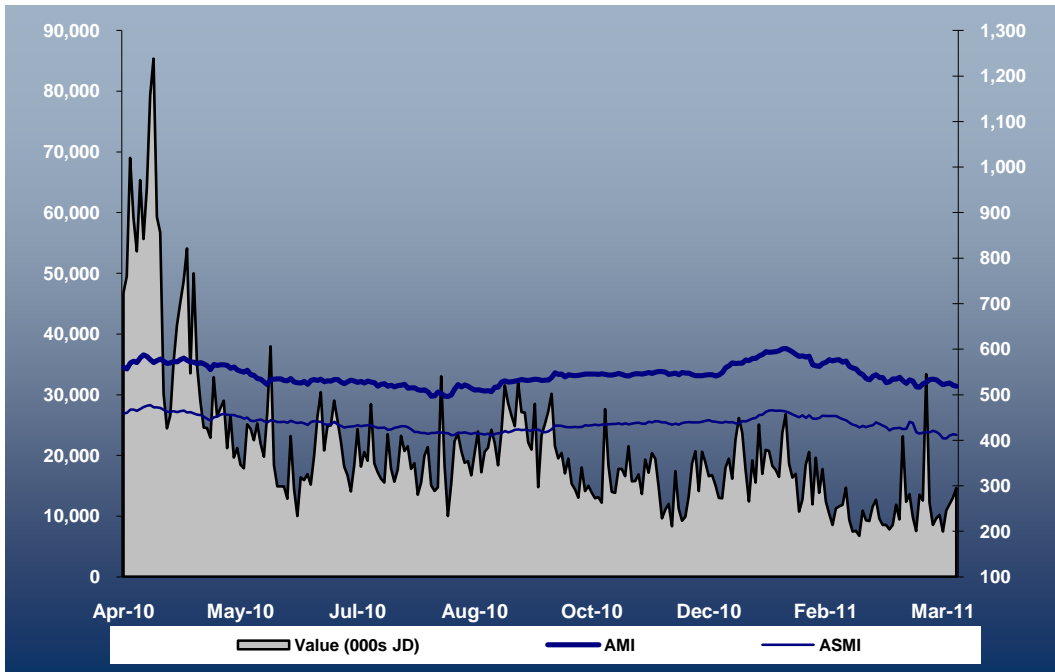
The services sector buckled under the pressure of large media, and utilities & energy losses. Jordan Press Foundation/Al-Rai (PRES) dropped 16.79%, as Irbid District Electricity (IREL), and Jordan Petroleum Refinery (JOPT) lost 24.86%, and 12.92% respectively. In related news, JOPT will raise its capital by JOD2.5 million to JOD10 million through a private placement at JOD6 per share, including a JOD5 per share issuance premium.

The industries sector underperformed the financials and services sectors after dropping 5.53%. The mining & extraction sector managed to cut back its losses from 9.96% to 5.33%, and the electric industries sector's losses dropped from 20.70% to 10.49%, but the tobacco & cigarettes sector, which gained 26.50% in February, lost 16.61% in March after Union Tobacco & Cigarette Industries (UTOB) dropped 21.50%. In the mining & extraction sector, Lafarge Jordan Cement Factories (JOCM) continued to pay the price for posting a loss after years of profitability and dropped 17.87%. Meanwhile, Arab Potash (APOT) dropped 6.22%, despite a 23% increase in net income.

We believe that the market has priced in most of the political instability and disappointing corporate results, and that April might bring about some recovery in certain sectors that have shown signs of improvement such as the banking and mining & extraction sectors.

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Company Name	High (JD)	Low (JD)	Close (JD)	Change (%)	Turnover (JD)
<b>Best Performers</b>					
FALCON FOR INVESTMENT & FINANCIAL SER	1.25	0.64	1.02	54.55	4,671,309
INTERNATIONAL ARABIAN DEVELOPMENT	0.84	0.51	0.78	52.94	1,357,728
HAYAT PHARMACEUTICAL INDUSTRIES COM	0.81	0.48	0.81	44.64	661,287
EURO ARAB INSURANCE GROUP	0.86	0.65	0.86	38.71	3,660
<b>Biggest Decliner</b>					
INDUSTRIAL INDUSTRIES & MATCH/JIMCO	0.15	0.15	0.15	-83.52	2
INTERNATIONAL SILICA INDUSTRIAL	2.42	2.00	2.12	-44.94	20,603
SPECIALIZED INVESTMENT COMPOUNDS	1.07	0.64	0.72	-30.10	5,628,787
INVESTMENT HOUSE FOR FINANCIAL SERVIC	0.31	0.22	0.22	-29.03	174,911
<b>Most Active</b>					
MIDDLE EAST COMPLEX FOR ENGINEERIN	0.40	0.30	0.32	-15.79	24,869,360
JORDAN KUWAIT BANK	5.03	4.10	4.50	-6.64	23,544,375
UNION INVESTMENT CORPORATION	1.08	0.85	0.87	-16.35	17,166,031
UNION TOBACCO & CIGARETTE INDUSTRIES	5.78	3.03	3.14	-21.50	12,529,191

Index	AMI	ASMI	ASE
Close	518.96	411.84	2175.59
Change (%)	-3.44	-4.64	-3.38
YTD (%)	-8.81	-6.76	-8.34
Y-o-Y (%)	-7.20	-10.05	-13.59
Trailing P/E	22.98	21.97	26.77

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)	397,079,167
Volume (JD)	278,875,687
Volume (US\$)	393,214,719

Market Breadth	
Advancers	71
Decliners	121
Unchanged	23

### Trading Value

