
2009 Semi-Annual Stock Market Performance Overview

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Investments

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1.0 EXECUTIVE SUMMARY

The effects of the 2008 global economic challenges continued into 2009, with the financial shocks and economic losses of 2008 at the forefront. The global economic slowdown and financial crisis that occurred during the second half of the 2008 led the global economy to fall into a state of great confusion and distress, with a difficult year lying ahead for financial markets worldwide.

The downward performance of the Amman Stock Exchange during the first half of the year differed little from that of global capital markets, with the United States stock market daily movements becoming key indicators of the expected movements in the Amman Stock Exchange. The entry into 2009 marked a turbulent start for the Exchange as its General Index followed an almost consistent drop, reaching the low for the year of 2,550.7 points on March 3rd. The buoyant market performance that was seen during the first half of 2008 vanished in 2009, with the General Index losing 0.8% of its value by the end of June on a year-to-date basis, in spite of the market's rally during the second quarter of the year, contrasting sharply with the 29.9% increase in value during the first half of 2008.

The unprecedented turmoil in the world's financial markets led investors to lose their confidence in the Amman Stock Exchange, leading liquidity to evaporate. The trading activity in the market overall was weak, with the total value of shares traded during the first half reaching JD 6.03 billion as opposed to JD 12.29 billion over the same period last year. This decline in value comes despite a rise in the volume traded from 3.27 billion shares in H1 2008 to 3.33 billion shares in H1 2009. The slump in prices of stocks over the first six months of 2009 rendered many stocks underpriced, particularly for the smaller companies in the market. Therefore, trading behaviour shifted, with emphasis being placed on the smaller-cap cheaper stocks, leading to a rise in the number of shares traded, but at a lower trading value. The effect of this was compounded further by the overall decline in prices of stocks across the board. In terms of daily averages, the average daily value traded dropped by 51.4% to reach JD 48.2 million compared to JD 99.1 million one year prior.

During the first half of the year selling activity dominated the Amman Stock Exchange as investors sold their shares to realise any quick gains made and to minimize losses registered in the second half of the previous year. The downturn in the market led the share price of 135 companies out of 235 traded during the first six months to end in the red compared to their closing price at the end of 2008. This plummet in the market meant that share prices of companies had reached attractive levels, however instead of taking advantage of the good buying opportunity, the evident lack of liquidity left investors unable to purchase. Furthermore, the negative first quarter financial results fed further uncertainty into investors' sentiment with regards to the market direction, and the pessimism towards discouraging first half financial results further drifted investors away from the stock market. By the end of the first half, 89 out of 226 companies that have released their reviewed financial statements to date registered financial losses, and a total of 167 companies realised either a decline in profits or a rise in losses during the period compared to H1 2008.

The slump in oil prices played a vital role in the poor performance of the Amman Stock Exchange. The Jordanian capital market is directly correlated and affected by the economic position and capital market performance of the GCC countries. As key investors into Jordan, the decline in oil prices that began in 2008 led excess liquidity to evaporate in the gulf region, resulting in a deceleration in foreign direct investments' to the Kingdom, as well as the value of remittances from Jordanians working abroad, drawing away the ample liquidity that had been pumped into the Jordanian capital market in previous years. Since 2004 the Amman Stock Exchange has been witnessing an increase in the value of the net foreign ownership (buying over selling), with 2007 registering the highest net level amongst the past five years, at JD 466.2 million. However the negative economic situation led the value of the net non-Jordanian ownership in the Amman Stock Exchange to drop to a low of JD 67.5 million for the first six months of 2009.

The ASE General Index was hit hard by the global economic crisis...

... which brought about a loss of investor confidence and a corresponding decline in trading activity...

... and a drop in liquidity levels...

... an effect exacerbated further by the drop in foreign investment, particularly as a result of the slump in oil prices...

Banks also had an important role in impacting on the capital markets; as banks became increasingly risk averse in their lending, this negatively affected the level of liquidity available in the market. Nonetheless, by the end of the first half of 2009, the credit facilities granted by licensed banks rose, reaching JD 13.08 billion, compared to JD 13.04 billion at the end of 2008, alongside a JD 26.9 million rise in the balance of facilities granted to purchase shares from JD 483.3 million at the end of December 2008 to JD 510.2 million in June 2009. This rise in facilities, however, has largely been attributed by experts to the rescheduling of existing loans, rather than the granting of new loans.

... as well as tightened credit policies by banks in the Kingdom

In terms of an outlook, opinions have been divided, with many economic experts anticipating the start of a recovery in the global economy by the end of the current year. Many other experts, however, believe that it will take years to recover from the global repercussions of the cracks in the U.S. financial system. For Jordan, it could be argued that the full force of the downturn has not yet arrived. Eyes will remain turned towards the GCC countries as a determinant of the trend going forward. As key providers of liquidity and investment to the Kingdom, a recovery in the GCC region could rescue the Kingdom from a sharp and detrimental downturn. However, with no such indications to date of any recovery, we anticipate a trying 2009 second half for Jordan, and continued poor stock market performance, exacerbated by poor corporate profitability and increasingly negative market sentiment.

2.0 MARKET HIGHLIGHTS

Key Statistics	2004	2005	2006	2007	2008	2009**
Number of Listed Companies	192	201	227	245	253	272
Market Cap (JD Million)	13,033.8	26,667.1	21,078.2	29,214.2	25,406.3	24,334.4
Value Traded (JD Million)*	1,505.4	6,785.8	7,982.9	6,140.9	12,293	6,026.4
Average Daily Trading (JD Million)	15.4	69.1	58.7	50.0	99.1	48.2
Traded Shares (Million)*	553.3	1,334.0	1,916.0	2,085.6	3,270.6	3,329.3
Number of Transactions (Thousand)*	497.0	1,088.7	1,579.7	1,711.5	2,2491	1,713.3
Number of Trading Days*	122	122	120	124	124	125
Turnover Ratio*	25.5	51.1	51.8	44.4	56.8	51.2
Historical P/E Ratio	31.1	44.2	16.7	28.0	18.8	15.3
Historical P/BV Ratio	2.7	3.2	2.9	3.0	2.2	2.0
Non-Jordanian Buying (JD Million)*	206.3	688	1,149.4	1,293.6	2,020.8	1,530.1
Non-Jordanian Selling (JD Million)*	122.2	602.9	1,000.4	1,013.3	1,835.0	1,462.6
Net Investment of Non-Jordanians (JD Million)*	84.0	85.1	149.0	280.3	185.8	67.5
Market Cap/ GDP %	184.7	326.6	233.9	289.0	226.3	171.5

Value and volumes traded figures based on one-sided transactions

* Figures are for the period January - June

** As of June 30th 2009

Source: Amman Stock Exchange

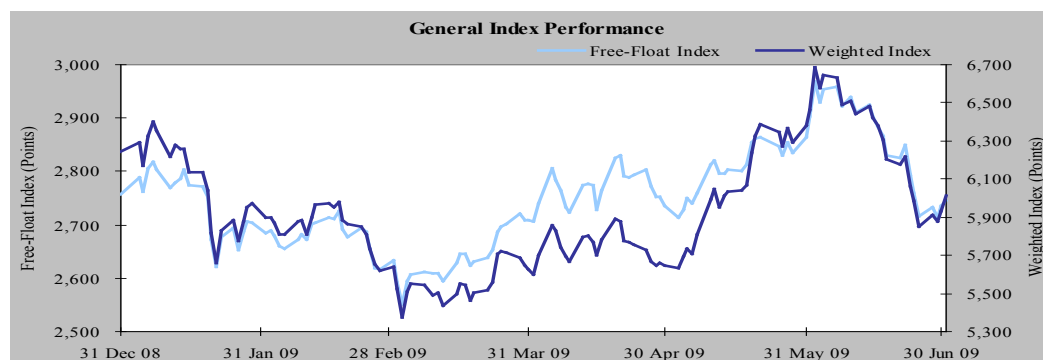
3.0 MARKET PERFORMANCE

3.1 General Index Performance

The turbulence of the stock market that had been evident in the second half of 2008, following the United States sub-prime mortgage debacle and the global credit crunch, continued into 2009, with liquidity remaining low, reflecting uncertainty in investor sentiment towards the overall market trend and stability. As the year took off, the Amman Stock Exchange saw its free-float General Index start off positively, rising from 2008's close of 2,758.4 points to 2,816.7 points one week later. The Index then began to oscillate within a range of 2,750 points and 2,805 points, before dropping sharply to 2,622.5 points on January 21st. During the last week of January, confidence in the market returned, leading the Index to climb back over the 2,700 point mark by February 11th, and reaching 2,725.0 points on the 17th. From then on, the Index experienced a downturn, freefalling in the space of less than two weeks to its low for the period of 2,550.7 points on March 3rd, before rebounding in response to positive regional and global markets performance, re-penetrating the 2,700 point mark, and closing the first quarter of the year at 2,708.1 points.

The free-float general index was turbulent in the first half of 2009...

... dropping from 2,758.4 points at the end of 2008 to 2,708.1 points at the end of the first quarter



This upward trend continued into the following quarter, aside from a blip towards the end of April, with the General Index breaking through the 2,800 point resistance level on May 14th, and reaching its high for the period of 2,968.8 points on June 2nd. The plummet in the global and regional markets, coupled with intensive selling activity to realise profits and close off margin positions prior to the end of the first half of the year, accompanied by negative market sentiment

The index reached its peak of 2,968.8 points in June...

in response to news of the market's leading heavyweight, the Arab Bank's, exposure to the Gosaibi and Saad groups, led the Index to dive back to the 2,800 point level and end the first half of the year at 2,735.2 points, down 0.8% year-to-date and 7.9% lower than its high.

... and ended the first half of 2008 down by 0.8%

3.2 Market Best and Worst Performers

Despite the market recovery in mid-April and through the month of May, the negative market conditions, relatively poor first quarter 2009 financial results, and overall lack of market liquidity prevailed, leading a whopping 135 companies' share prices to end in the red, with only 86 companies' share prices registering a positive gain during the first six months of 2009. Trading was concentrated on the relatively "cheap" stocks, as investors sought to take advantage of the attractive price levels available in the market in rebuilding positions and reducing the average prices of stocks already included in portfolios. The Services Sector companies captured the larger part of our top gainers list, with Falcon for Investment and Financial Services (FIFS) positioning itself as our top performer with its share price rising by 306%, followed by Darkom Finance and Investment, with a price appreciation of 278%. A point worth highlighting is that both companies were suspended from trading for a period of two weeks due to the "unjustified" price increases witnessed on their stock.

135 companies' share prices declined during the period, while 86 companies' prices rose

In contrast with the equivalent period in 2008, where the top gainers list was dominated by the market heavyweights, aside from the Jordan Steel whose price rose from JD 1.49 at the end of 2008 to JD 3.49 six months later, the larger part of our list of gainers is dominated by the smaller stocks in the market, with an apparent precedence of real estate and investment companies.

Top Gainers

Company	Share Price 31/12/08	Share Price 30/06/09	% Change	Net Profit June 2008	Net Profit June 2009	% Change
Falcon for Invest & Financial Serv (FIFS)	0.70	2.84	305.7%	124,330	(314,773)	(353.2%)
Darkom Finance and Investment (DRKM)	0.49	1.85	277.6%	(246,137)	28,127	(111.4%)
Jordan Steel (JOST)	1.49	3.49	134.2%	14,817,581	5,974,436	(59.7%)
Union Investment Corporation (UINV)	0.65	1.50	130.8%	2,917,334	424,070	(85.5%)
Union Land Development Corp (ULDC)	0.74	1.51	104.1%	2,615,272	1,005,937	(61.5%)
Resources Co. for Dev. & Invest (JOMA)	0.75	1.48	97.3%	1,326,585	229,556	(82.7%)
Pearl Sanitary Paper Converting (PERL)	3.00	5.89	96.3%	50,202	N/A	N/A
Jordan Industrial Resource (JOIR)	0.40	0.76	90.0%	550,678	417,392	(24.2%)
Al Tajamout for Cater & Housing (JNTH)	1.30	2.27	74.6%	84,155	34,741	(58.7%)
Al-Ahlia Enterprises (ABLA)	1.38	2.28	65.2%	(269,208)	(670,508)	149.1%

FIFS, DRKM and JOST experienced the highest price appreciation in the six months

Source: Amman Stock Exchange & Company Annual Reports

The plunge of the Amman Stock Exchange General Index during June 2009, coupled with the slump experienced earlier in the year, was a blow for the prices of the majority of listed stocks, despite the recovery in the market during the month of May. The Arab Real Estate Development Company (ARED) was the hardest hit, with its price dropping below the JD 1.00 par value to reach JD 0.78, while Rumm Aladdin Industries' (RUMM) stock price declined to reach JD 1.84 compared to JD 4.28 at 2008 year-end. Worth highlighting is the prominence of investment and real estate companies within our top decliners list too.

Top Decliners

Company	Share Price 31/12/08	Share Price 30/06/09	% Change	Net Profit June 2008	Net Profit June 2009	% Change
Arab Real Estate Development (ARED)	2.63	0.78	(70.3%)	3,218,906	(5,931,787)	(284.2%)
Rumm Aladdin Industries (IENG)	4.28	1.84	(57.0%)	273,787	199,129	(27.3%)

ARED stood as the top decliner, with a 70.3% decline in share price

Company	Share Price 31/12/08	Share Price 30/06/09	% Change	Net Profit June 2008	Net Profit June 2009	% Change
Shareco Brokerage (SHBC)	1.44	0.70	(51.4%)	1,647,830	21,524	(98.7%)
Awtad for Financial & Real Estate (AWTD)	2.59	1.30	(49.8%)	33,360	(182,396)	(64.7%)
Al-Qaria Food & Vegetable Oil Ind (UCVO)	2.08	1.10	(47.1%)	600,559	(546,798)	(191.0%)
Rum Group for Transp & Tourism (RUMM)	1.47	0.78	(46.9%)	71,641	87,837	22.6%
Palaces Real Estate & Dev (PRED)	2.93	1.60	(45.4%)	(65,419)	(55,077)	15.8%
Darwish Al-Khalili and Sons (DKHS)	1.93	1.11	(42.5%)	501,803	(776,470)	(254.7%)
Jordan New Cable Company (JNCC)	2.05	1.18	(42.4%)	4,808,051	(155,520)	(103.2%)
Jordan Clothing (CJCC)	1.92	1.12	(41.7%)	49,853	(196,282)	(493.7%)

Source: Amman Stock Exchange & Company Annual Reports

3.3 Market Capitalisation

The dominance of market decliners over advancers during the first six months of the year pulled down the market cap of the Amman Stock Exchange by a hefty 39.8% to stand at JD 24.33 billion at the end of June compared to JD 40.41 billion registered one year earlier, and by a slight 4.3% from 2008's year-end close.

The market cap reached JD 24.33 billion, down 4.3% in the six months

In terms of the market heavyweights, the rise in the Jordan Petroleum Refinery (JOPT) share price from JD 6.86 at the end of 2008 to JD 8.15 in June 2009 led its market cap to rise by 18.8%. The Jordan Cement Factory (JOCM), meanwhile, saw a 7.8% increase in its market cap to JD 420.09 million, while the Arab Potash Company (APOT) and Jordan Phosphate Mines (JOPH) both registered an increase of 5.3% in their market cap during the period.

Largest Ten Companies in Terms of Market Cap

Company	Market Cap 31/12/2008	% of Total Mkt Cap. 2008	Market Cap 30/6/2009	% of Total Mkt Cap. 2009	% Change in Market Cap
Arab Bank (ARBK)	8,095,440,000	31.9%	7,011,420,000	28.8%	(13.4%)
Arab Potash Company (APOT)	2,928,610,125	11.5%	3,082,747,500	12.7%	5.3%
Housing Bank for Finance & Trade (THBK)	2,099,160,000	8.3%	2,058,840,000	8.5%	(1.9%)
Jordan Phosphate Mines (JOPH)	1,462,500,000	5.8%	1,540,500,000	6.3%	5.3%
Jordan Telecom (JTEL)	1,205,000,000	4.7%	1,250,000,000	5.1%	3.7%
Jordan Cement Factory (JOCM)	389,866,767	1.5%	416,000,000	1.7%	7.8%
Jordan Kuwait Bank (JOKB)	469,000,000	1.8%	420,088,997	1.7%	(11.3%)
Afaq Invest Real Estate Dev Co. (MANR)	360,000,000	1.4%	360,000,000	1.5%	0.0%
Jordan Islamic Bank (JOIB)	300,625,000	1.2%	313,625,000	1.3%	4.3%
Jordan Petroleum Refinery (JOPT)	219,520,000	0.9%	260,000,000	1.1%	18.8%

Source: Amman Stock Exchange

JOPT experienced the largest increase in market cap amongst the largest ten companies in terms of market cap

The top decliners of our heavyweights in terms of change in market cap were the Arab Bank (ARBK) and Jordan Kuwait Bank (JOKB), whose market caps fell to JD 7.01 billion and JD 416.00 million respectively. Despite the 13.4% drop in the Arab Banks market cap, the stock continued to dominate the top of our list of largest market cap in terms of size, contributing 28.8% to the entire market cap.

3.4 Market Price-to-Earnings (P/E) and Price-to-Book Value (P/BV) Ratios

Again, the plummet in share prices during the first half of 2009 led the market price-to-earnings (P/E) ratio to reach 15.4 times, according to the Amman Stock Exchange, compared to 31.0 times as of June 30th 2008 and 18.8 times as of December 31st 2008, bringing the Jordanian market P/E ratio down to the more "reasonable" level for emerging markets.

The market P/E amounted to 15.4x...

For the heavyweights of the market, only the Housing Bank for Trade and Finance (THBK) and the Jordan Cement Factories managed to register a rise in their P/E ratios. THBK's increase comes despite a 1.9% fall in the price of its share, due to the increase in the Bank's capital from JD 250 million to JD 252 million and the slump in its profitability, both of which pulled down the Bank's EPS. The Jordan Cement Factories, however, did experience a rise in share price over the six months from JD 6.45 at the end of 2008 to JD 6.95, which helped pull up its P/E ratio to 8.958 times.

P/E and P/BV for Largest Ten Companies

Company	P/E (times) 31/12/2008	P/E (times) 30/06/2009	P/BV (times) 31/12/2008	P/BV (times) 30/06/2009
Arab Bank (ARBK)*	24.190x	19.467x	2.282x	1.959x
Arab Potash Company (APOT)	19.499x	9.900x	7.529x	4.802x
Housing Bank for Finance & Trade (THBK)	19.478x	21.457	2.468x	2.370x
Jordan Phosphate Mines (JOPH)	31.717x	6.456x	7.557x	3.693x
Jordan Telecom (JTEL)	12.751x	12.463x	2.930x	3.001x
Jordan Kuwait Bank (JOKB)	10.568x	8.958x	2.162x	2.292x
Jordan Cement Factory (JOCM)	8.088x	8.523x	2.250x	1.738x
Afaq Invest Real Estate Dev Co. (MANR)	N/A	44.71x	N/A	3.855x
Jordan Islamic Bank (JOIB)	13.077x	8.925x	2.252x	1.948x
Jordan Petroleum Refinery (JOPT)	49.916x	33.764x	3.548x	3.989x

* Based on Arab Bank Plc earnings and not the Group's earnings
Source: Amman Stock Exchange

The outnumbering of decliners over advancers led to a drop in the market P/BV ratio to 2.0 times compared to 3.6 times one year earlier. With regards to the market P/BV at 2008 year-end, however, where the market P/BV was 2.2 times, the decline is less dramatic, as a significant proportion of the price decline for the stocks had already taken place during H2 2008.

... while the market P/BV was 2.0x

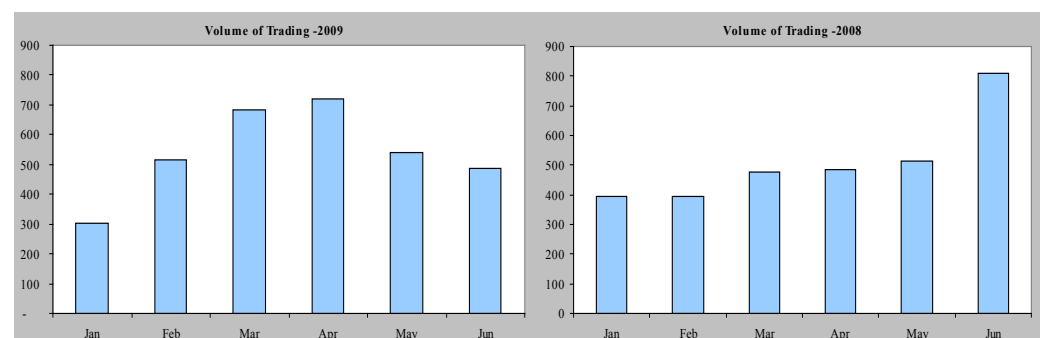
The Arab Potash Company had the highest P/BV ratio amongst the market heavyweights, at 4.80 times, while the Jordan Cement Factory had the lowest, at 1.74 times.

3.5 Trading Activity

3.5.1 Volume Traded

In spite of challenges in the capital market in terms of restrictions on lending by banks, lower levels of investment, and an overall reduction in liquidity, the volume traded during the first six months of 2009 period surpassed that reached over the same period last year. The volume of shares traded increased by 5.6% during the period to register at 3.25 billion shares versus 3.07 billion shares traded in 2008. This increase came in response to a shift in investor trading behaviour away from the larger heavier stocks that dominated market trading in 2008, such as the Arab Potash Company and the Jordan Phosphate Mines, to smaller, more affordable stocks, as well as an overall drop in prices of stocks across the board, enabling larger-volume transactions.

Volume traded registered almost 6% higher than last year...



Source: Amman Stock Exchange

On a month-by-month basis, trading volumes followed an upward trend with the peak occurring in April, where 721.41 million shares were traded, excluding block deals, making up 22.2% of the total volume traded over the period. In May and June, however, the volume of shares traded began to decline.

Most Active Stocks in Terms of Volume of Shares Traded

Company	Volume of Shares Traded*
Ad- Dulayl Industrial Park (IDMC)	230,372,226
United Arab Investors (UAIC)	227,015,622
Taameer Jordan Holdings (TAMR)	188,725,382
Tajamouat for Catering and Housing (JNTH)	176,852,284
South Electronics (SECO)	153,456,633
International Brokerage and Financial Markets (IBFM)	115,891,009
Specialized Investment Compounds (SPIC)	101,851,739
Meethaq Real Estate Investment (MEET)	100,196,258
Union Land Development Corporation (ULDC)	98,383,982
First Jordan Investment (FRST)	93,313,102
Total	1,486,058,237

* Excluding Block Deals
Source: Amman Stock Exchange

... with IDMC ranking as the most actively traded stock in terms of number of shares

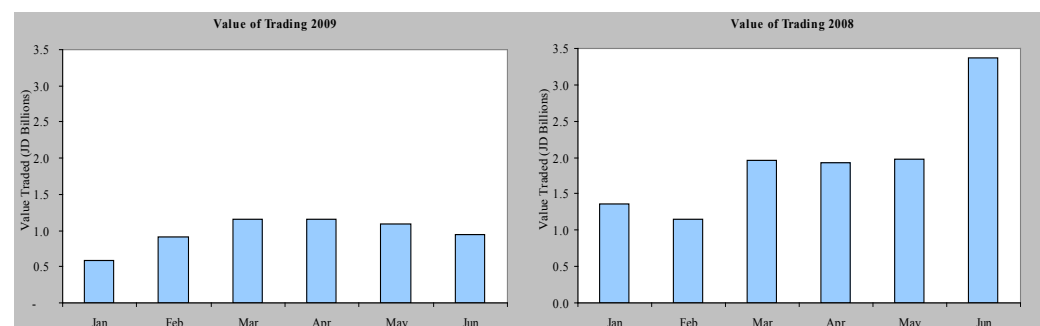
Viewing the top ten most active stocks in terms of volume traded reveals that the majority of our top performers were from the Financial Sector based on the ASE's new classification of stocks, with Ad-Dulayl Industrial Park Co. & Real Estate continuing to capture the top position of our list of most active stocks in terms of volume of share traded, with 230.37 million shares traded during the period. United Arab Investors came in next with 227.02 million shares, while Taameer Jordan Holdings followed, falling far behind, with 188.73 million shares traded. Once again, in contrast with last year, the blue-chips of the market were nowhere to be seen on our most active stocks in terms of volume traded for this half of the year.

The total number of shares traded for the top ten companies amounted to 1,486 million shares which corresponds to 45.8% of the entire trading activity for the first six months of 2009.

The top 10 most active stocks accounted for 46% of total market volume

3.5.2 Value Traded

The descent in share prices, coupled with the reduced liquidity and investors' trading concentrated on small-cap stocks, meant that the total value traded during the first half of the year shrank to almost half the value traded over the same period last year. The trading value reached JD 5.84 billion, excluding block deals, compared to JD 11.73 billion at the end of June 2008, while the average daily trading value tumbled to JD 48.0 million from JD 99.1 million in 2008.



Source: Amman Stock Exchange

The value of shares traded was somewhat consistent on a monthly basis, compared to the variance witnessed in 2008, with March being the most active month with a total value traded of JD 1.16 billion, corresponding to 19.9% of the overall value traded for the first half of the year.

Most Active Stocks in Terms of Value of Shares Traded

Company	Value of Shares Traded*
Specialized Investment Compounds (SPIC)	573,857,494
Tajamouat for Catering and Housing (JNTH)	409,371,803
Ad- Dulayl Industrial Park (IDMC)	291,348,351
Arab German Insurance (AGICC)	287,808,008
Arab Bank (ARBK)	280,105,258
Jordan Petroleum Refinery (JOPT)	267,451,759
United Arab Investors (UAIC)	248,852,437
Jordan Steel (JOST)	168,365,941
Taameer Jordan Holding (TAMR)	155,849,311
International Brokerage and Financial Markets (IBFM)	152,774,155
Total	2,835,784,516

* Excluding Block Deals
Source: Amman Stock Exchange

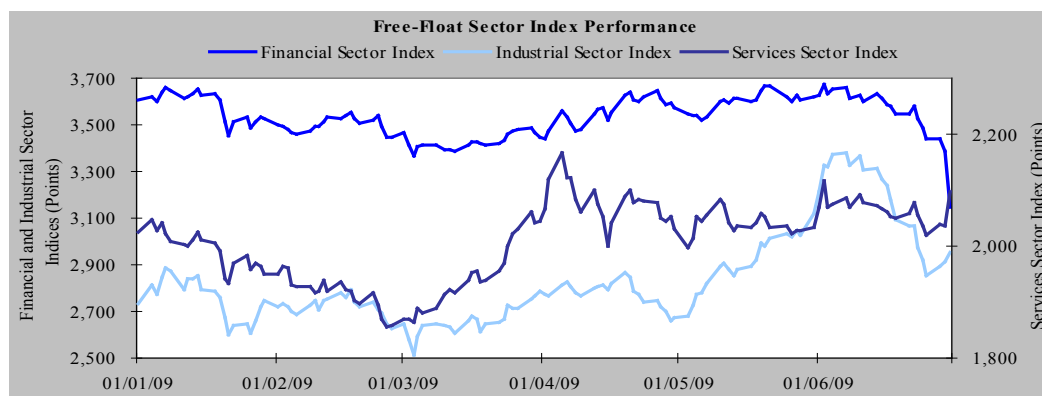
SPIC and JNTH stood as the most active stocks in terms of value traded, with JD 573.9 million and JD 409.4 million traded, respectively, excluding block deals

The Specialised Investment Compounds (SPIC) claimed the lion's share of the trading value, at JD 573.86 million, corresponding to 9.8% of the entire market's trading value. It was followed by the Tajamouat for Catering and Housing (JNTH), with JD 409.37 million, and Ad-Dulayl Industrial Park (IDMC), with JD 291.35 million.

The total value of shares traded of the ten most active stocks amounted to JD 2.84 billion, making up 48.5% of the value of all shares traded for the first half of the year.

The top 10 most active stocks accounted for 49% of total market trading value

4.0 SECTOR PERFORMANCE



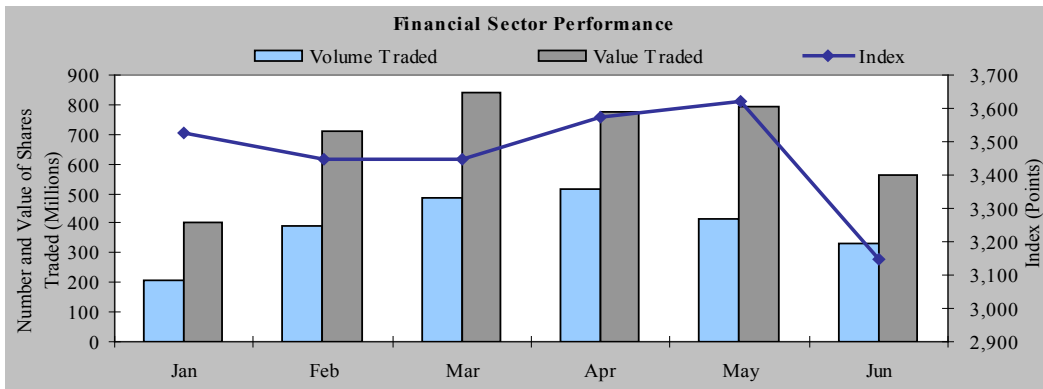
Only the Financial Services Sector Index registered an overall decline during the six months

The performance of the three main free-float sector indices during the first half of 2009 was split, with the Services and Industrial sector indices rising by 3.6% and 7.9% respectively, while the Financial Sector Index followed a descending trend, ending the first half of the year down by 12.7%, attributed primarily to the 18.5% decline in the Banking sub-sector index.

4.1 Financial Sector

The stock market downturn was felt primarily by the Financial Sector, which started off 2009 with its Index dropping by 2.4% in January to 3,524.2 points compared to 3,609.1 points at the end of 2008. The descent continued into February where the Index fell by another 2.2% before trading horizontally during March and shifting into a steady ascent in April and May, climbing by an aggregate 5.0%. June, however, was a contradictory month for the sector, with the Index continuing its ascent to reach its peak for the year of 3,675.9 points on June 2nd, only to reverse its direction, and end the month at 3,149.9 points, registering the lowest point for the period on June 30th, and ending the first half of the year down by 12.7% year-to-date.

Financial Sector Free-Float Index declined by 12.7% during H1 2009 to end the period at 3,149.9 points



Index in chart represents closing prices
Source: Amman Stock Exchange

After an unremarkable start to the year, the trading volume for the Financial Sector began to pick up, registering an aggregate of 1.60 million shares traded by the end of April, while the value traded reached JD 2.73 billion. April marked the Sector’s most active month, with 516.22 million shares traded, excluding blocks, for JD 774.60 million. The trading volume dropped, however, during May and June to 414.41 million and 331.55 million shares respectively despite a continued increase in the value traded during May, where it reached JD 791.53 million. By the end of the first half of 2009, a total of 2.34 billion shares had been traded for a traded value of JD 4.08 billion.

The sector’s trading volume and value stood at 2.34 billion shares and JD 4.08 billion for the period...

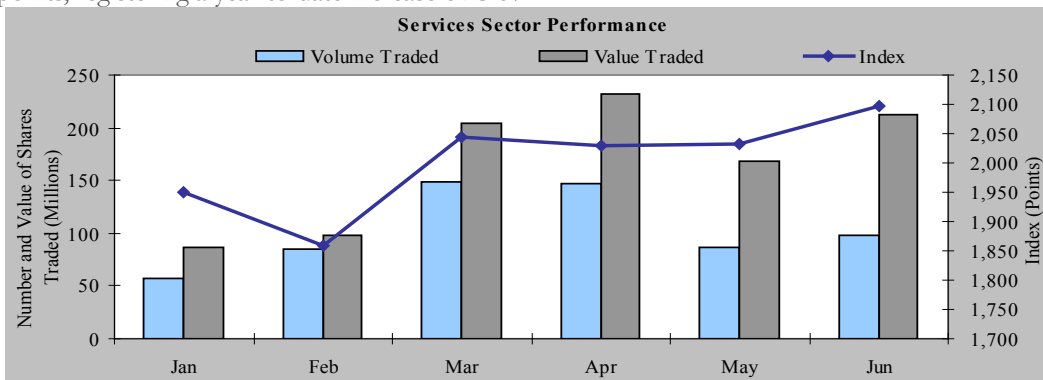
As a percentage of the market total, the Financial Services Sector had claimed 72.2% of the market’s volume traded and 69.9% of the trading value.

... equivalent to around 70% of the total market trading activity

Specialised Investment Compounds (SPIC) led the Sector in terms of value of shares traded with JD 573.86 million, followed by Al-Tajamouat for Catering and Housing (JNTH), which recorded a total value of JD 409.37 million during the six months. In terms of volume traded, Al-Dulayl Industrial Park (IDMC) and United Arab Investors (UAIC) claimed the lion’s share, at 230.37 million and 227.02 million shares, respectively.

4.2 Services Sector

The Services Sector got off to a bad start in 2009 with its Index falling in both January and February by 3.8% and 4.6% respectively, reaching 1,859.5 points compared to 2,026.6 points at the end of 2008. The Index managed to rise by an impressive 10% during March, before trading more-or-less sideways in April and May, registering the peak for the period of 2,166.2 points on April 5th. In June, the Index rose by a further 3.2%, closing the first half of the year at 2,098.1 points, registering a year-to-date increase of 3.6%.



Index in chart represents closing prices
Source: Amman Stock Exchange

The sector’s trading volume reached an aggregate of 621.77 million shares, excluding blocks, for a total value of JD 1.00 billion during the first half of the year. March and April registered both the

largest number of shares traded, excluding blocks, at 148.3 million and 146.45 million respectively, making up 47.5% of total sector's trading volume for the period, and value of shares traded, at JD 204.30 million and JD 232.11 million, respectively, equivalent to 43.6% of the sector total.

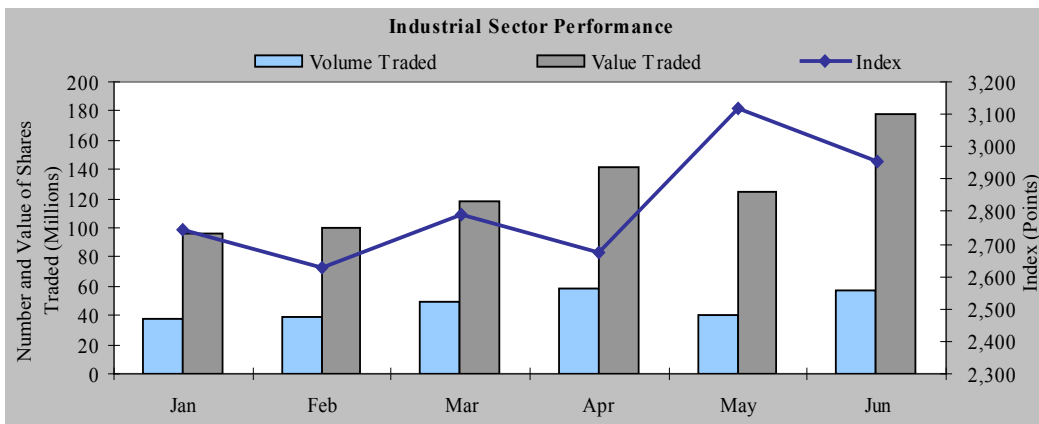
The Services Sector registered a volume traded of 621.8 million shares for a value of JD 1.00 billion

The top performers in terms of trading value for the Sector were Jordan Petroleum Refinery (JOPT) with JD 267.45 million, followed by Darwish Al-Khalili and Sons Company (DKHS) falling significantly behind with JD 148.16 million, and South Electronics (SECO) with JD 89.92 million. South Electronics (SECO) led the Sector in regards to the volume of shares traded, with 154.46 million shares, which corresponds to 24.7% of the Sector total, followed by Darwish Al-Khalili and Sons Company (DKHS) and Ahlia Enterprises (ABLA) with 82.98 million and 41.69 million shares, respectively.

JOPT was the top performer in terms of trading value, while SECO led in terms of volume of shares traded

4.3 Industrial Sector

The Industrial Sector was the top sector performer, with its Index rising by 7.9% over the six months, reaching its high for the year of 3,377.3 points on June 7th. During the first four months of the year, the Index registered an aggregate decline of 2.8% before recovering in May to rise by 16.7%, on the back of the upsurge in the mining sub-sector index, only to drop back again in June and end the first half of the year at 2,952.5 points.



Index in chart represents closing prices
Source: Amman Stock Exchange

In terms of volume of shares traded, there was a general upward trend during the first four months of the year, registering a total of 183.76 million shares. In May, however, despite the sharp improvement in the Index's performance, trading volumes dropped to reach 40.96 million shares, compared to 58.74 million shares in April. The trend for the trading value was no different, with an aggregate value traded of JD 456.20 during the first four months, declining to JD 125.00 million in May. June showed an improvement, giving a total trading volume of 281.78 million shares for the six months for a total value of JD 758.53 million

Total trading for the first half of 2009 for the Industrial sector comprised of 281.8 million shares traded for a value of JD 758.5 million...

Jordan Steel (JOST) had the highest value traded for the sector, at JD 120.42 million compared to its runner-up, Comprehensive Multiple Projects (INOH), with JD 109.86 million over 40.67 million shares. The Jordan Phosphate Mines (JOPH) came in third in terms of value of shares traded, with JD 93.68 million for the period.

... with JOST capturing the bulk of the sector's trading activity...

Jordan Steel also stole the limelight in terms of volume of shares traded, with 40.22 million shares traded, once again followed by Comprehensive Multiple Projects (INOH) which had 40.67 million shares traded.

... ranking in top position in terms of both value and volume traded

5.0 IPO MARKET

IPOs listed during H1 2009

Company	Size of Offering (shares)	Issuance Price	First Day Closing Price	Closing Price June 30th, 09	Listing Price Change	Post Listing Price Change
		(1)	(2)	(3)	(2) - (1)	(3-2)
Al Entekaeya for Investment (ENTK)	5.95 mil	1.00	1.05	1.66	5.00%	58.10%
International Card (CARD)	7.00 mil	1.00	1.18	1.34	18.00%	13.56%
Sura Develop & Investment (SURA)	5.50 mil	1.00	0.84	0.65	(16.00%)	(22.62%)
United Group for Land Tran (UGLT)	4.20 mil	N/A	N/A	N/A	N/A	N/A
United Iron & Steel Manu (MANS)	32.17 mil	N/A	N/A	N/A	N/A	N/A
Jo. Masaken for Land & Ind (MSKN)	8.00 mil	1.00	0.67	0.63	(33.00%)	(5.97%)
Al Israa Islamic Finance (ISRA)	5.00 mil	1.00	0.88	0.99	(12.00%)	12.50%
Amoun Int'l for Investment (AMON)	11.60 mil	1.00	0.86	1.29	(14.00%)	50.00%
Comprehensive Leasing (LEAS)	5.00 mil	1.00	1.74	1.27	74.00%	(27.01%)
Arab Weaver Union (ARWU)	12.00 mil	1.00	1.62	1.67	62.00%	3.09%

Source: Amman Stock Exchange

Despite the slump in liquidity in the market relative to previous years, the Amman Stock Exchange continued to host a relatively active initial public offering market. During the first half of the year, the market welcomed ten new companies, thereby raising the number of listed companies to 272 from 262 at the end of 2008. Out of the ten companies listed, eight companies were offered to the market at an issuance price of JD 1.00 per share, while the other two companies, Union Group for Land and Transport (UGLT) and United Iron and Steel Manufacturing (MANS) were listed but suspended from trading, due to lock-up period policies. The stocks were all listed at a floating price, with four companies ending their first day of trading with a price appreciation, while the remaining four companies saw their share price underperform, closing on the first day of trading at a price below par value. However, by the end of the first half of 2009, Sura for Development and Investment (SURA), Comprehensive Leasing Company (LEAS), and Jordan Masaken (MSKN) were the only three companies to have sustained a decline in their share price, registering a negative return compared to the first trading day closing price.

Meanwhile, the best performer for the six-month period was Al Entekaeya for Investment (ENTK), whose price appreciated by 58.1% during the six months compared to its closing price on the day of listing, while Arab Weaver Union (ARWU) registered the greatest increase in price compared to its JD 1 issuance price.

6.0 BLOCK DEALS AND THE RIGHTS ISSUE MARKET

103 block trades were executed on the shares of 34 companies during the first half of the year for a total value of JD 184.14 million. Amwal Investment (AMWL) and Specialised Investment Compounds (SPIC) had the largest number of block deals executed on their stock, at 24 and 14 deals, respectively. Amwal Investment (AMWL) also ranked in top position in terms of value and volume of shares traded under block deals, with 24.50 million shares traded for a value of JD 37.60 million. Arab Financial Investment (AFIN) came in next with 10.57 million shares traded at a value of JD 26.34 million, while Jordan Islamic Bank (JOIB) followed with 6.40 million shares and JD 25.38 million.

Two rights issues were traded during the first six months of the year amounting to 2.15 million rights for an aggregate value of JD 42.93 thousand relating to Al-Faris National Company (CEBC) and Jordan New Cable (JNCC)

Ten new companies were listed on the ASE during H1 2009

103 block deals were executed over 79.1 million shares for a value of JD 184.14 million

7.0 PRIMARY FACTORS INFLUENCING THE STOCK MARKET

7.1 Money Supply

A rising money supply, as measured by changes in M2, suggests growing liquidity in the market that can flow into the capital markets and bolster stock prices. M2 growth has been positive over the past few years reaching JD 18.30 billion at the end of 2008. The first half of 2009 saw a JD 839.5 million increase in the M2, equivalent to a 4.6% rise, to reach 19.14 billion at the end of June. The bulk of the increase is attributed to the JD 641.3 million rise in the balance of 'time and savings deposits'.

Money Supply (M2) continued to increase in H1 2009, reaching JD 19.14 billion

Money Supply (M2) Growth

(JD Millions)	2004	2005	2006	2007	2008	June 2009
Money Supply (M2)	10,571.4	12,364.0	14,109.7	15,606.8	18,304.2	19,143.7
% Change	11.7%	17.0%	14.1%	10.6%	17.3%	4.6%

Source: Central Bank of Jordan

7.2 Foreign Investment

Jordan is a country heavily reliant on external help and foreign investment, and this reliance has fed through to the Amman Stock Exchange. The percentage of foreign ownership of the ASE market cap has hovered in recent years at around 49% of the total market cap. However, the poor performance of markets in the region, coupled with the freefall of oil prices in late 2008, and the global economic slowdown and credit crunch, has reduced excess liquidity in the GCC, which represent key foreign investors for the Kingdom. Moreover, the credit crunch and poor business performance in Jordan has brought about a slump in domestic investment.

Direct Investment in Jordan

(JD Millions)	2004	2005	2006	2007	2008	Q1 2009
Direct Investment in Jordan	578.8	1,257.8	2,316.7	1,382.9	1,394.7	155.0

Source: Central Bank of Jordan

Year 2006 marked the Kingdom's best year in terms of direct investment, which registered at JD 2.32 billion. In 2007 and 2008, the investment levels stabilised at around JD 1.40 billion. However, during the first three months of 2009, direct investment in the Kingdom stood at a mere JD 155.0 million, giving an annualised JD 620 million, and registering significantly short of the unannualised JD 652.7 million direct investment for the same quarter of 2008.

Direct investment slumped to JD 155.0 million during Q1 2009 compared to JD 652.7 million in Q1 2008

7.3 Remittances

The surging international prices of oil have had a direct effect on the economic development and growth of countries in the region, particularly the oil-rich GCC countries. The abundance of liquidity in those countries, generated from oil profits, attracted more Jordanian to work abroad, where higher salaries are offered. This has positively impacted on the Jordanian capital market through rising values of remittances over the years, contributing to the levels of liquidity available. The value of remittances reached JD 2.24 billion in 2008, and in 2009 stood at JD 513.4 million at the end of the first quarter. By the end of May, remittances had registered a slight 2.4% decline compared to 2008. Going forward, the weakening economic and business conditions in the Gulf, particularly Dubai, a favoured destination for Jordanians, is likely to continue to impact negatively on the level of remittances received, which will translate into reduced liquidity to drive the Jordanian capital market.

Remittances registered at JD 513.4 million for Q1 2009 compared to JD 2.24 billion for the entirety of 2008

7.4 Interest Rates

Declining interest rates offered on deposits tend to positively impact capital market performance, as investors weigh the risks of investing in the stock market against the widening spread between returns offered by banks and those offered by stocks. This year, in a bid to boost the Jordanian

economy, the Central Bank of Jordan has been reducing the key interest rates, cutting the rediscount rate, repo agreement rate, and the overnight window deposit rate in both March and May by 50 basis points each time. Despite the Central Bank's efforts, however, the weighted average interest rates on overdrafts increased from 9.31% at the end of 2008 to 9.65% five months later, the rate on discounted bills and bonds rose from 8.89% to 9.07%, and the rates on all types of deposit accounts were slashed. However, the weighted average interest rate on loans and advances was dropped during the five-month period from 9.48% to 9.22%.

Weighted Average Interest Rates Offered by Licensed Banks

	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Weighted Average Interest Rates on Deposits						
Demand Deposits	1.01%	0.98%	0.95%	0.85%	0.87%	0.78%
Savings Accounts	1.04%	1.06%	1.01%	0.84%	0.94%	0.87%
Time Demand	5.66%	5.71%	5.67%	5.74%	5.46%	5.20%
Weighted Average Interest Rates on Credit Facilities						
Overdrafts	9.31%	10.07%	9.76%	9.94%	9.58%	9.65%
Loans & Advances	9.48%	9.36%	9.28%	9.31%	9.24%	9.22%
Discounted Bills and Bonds	8.89%	8.97%	9.25%	9.30%	9.97%	9.07%

Source: Central Bank of Jordan

Interest rates on deposits and loans have slumped, while those offered on overdrafts and discounted bills and bonds were raised

7.5 Credit Facilities

Credit facilities represent a core determinant of the level of liquidity available in the market, and therefore have a direct influence on the performance of the stock market. As the complications of the sub-prime mortgage fiasco in the United States began to surface, and the global credit crunch began to spread, banks in Jordan became increasingly risk averse and cautious in their credit lending procedures. Surprisingly, therefore, is that at the end of the first half of 2009, the credit facilities granted by licensed banks had managed to register a positive growth, standing at JD 13.08 billion, surpassing the JD 13.04 billion level reached at the end of 2008. However, this increase in facilities has been explained by experts as arising from the rescheduling of existing loans, rather than a rise in actual loans granted.

Credit Facilities Granted by Licensed Banks (JD million)

(JD Millions)	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Facilities Granted for Buying Shares	519.2	509.7	498.0	478.7	471.5	510.2
Total Credit Facilities	13,203.0	12,937.7	12,903.6	12,865.0	13,042.2	13,082.5

Source: Central Bank of Jordan

Credit facilities continued to grow in 2009, reaching JD 13.08 billion at the end of H1 2009

7.6 Corporate Profitability

Strong corporate performance, in general, is correlated with strong stock performance. Based on the first quarter 2009 interim results of companies listed on the first market, it was revealed that of the 50 largest companies, 31 registered a drop in profits compared to the same period of 2008, of which ten realised losses. Meanwhile, the General Index during the same period had slumped by 1.8%. To date, based on the companies that have issued H1 2009 financial results, the overall result is even less encouraging. The impact the continued stream of financial results announcements will have on the Amman Stock Exchange General Index is yet to be uncovered.

7.7 IPO market

While the IPO market in Jordan continued to sustain some level of activity, the degree of investor interest it attracted and the extent of quick profits made has fallen significantly short of that realised in the past. The IPO market is losing ground in terms of importance as a driver of stock market performance.

8.0 KEY NEWS HEADLINES FOR THE FIRST HALF OF 2009

- In January, the Social Security Corporation issued new instructions relating to voluntary participation in the social security system to insure against old-age, disability and death. The new instructions give Jordanian workers, both in Jordan and abroad, whether employed or self-employed, the right to participate voluntarily in the system provided that the participant is above 16 years of age.
- The Jordan Industrial Estates Corporation approved a new set of incentives to encourage investment and competitiveness in the Al Muwaqqar Industrial Estate. These incentives include reductions in land sale prices of up to 36% from JD 50 per square meter to a minimum of JD 32 per square meter, and a 40% reduction in rent prices to JD 3 per square meter instead of JD 5 square meter respectively.
- In late January, the Ministry of Finance presented to the Cabinet the emergency economic plan, which aims at facing the challenges of the global financial crisis. The Government also looked into the issuance of treasury bonds to finance the rescue plan of the real estate sector, initially proposed at JD 200 million. The plan was to involve offering financing to thirty-three public shareholding companies listed on the Amman Stock Exchange that need liquidity to resume their projects, provided certain conditions are met, and where the financing will not exceed 50% of the total project cost and that the collaterals offered by the companies cover the required financing amount. However, economic experts called for the development of a comprehensive strategic plan targeting the Jordanian economy as a whole to face the consequences of the global financial crisis, stating that supporting sectors individually can negatively affect the country's fiscal position in light of its limited resources.
- In response to the global financial crisis and in accordance with plans to boost economic activity, the guidance committee at the Ministry of Planning and International Cooperation prepared the Executive Development Program 2009-2011 and the government capital expenditure plan for 2009, in order to minimize the impact of the financial crisis facing the investment and services sectors. The plan includes four main elements; the first element involves motivating the economic sectors, the second includes developing infrastructure needed to support investment activities, the third element relates to employment and vocational training, while the fourth revolves around local development and social welfare.
- The Jordanian Government, in collaboration with the European Investment Bank, announced that it will launch a venture capital fund for JD 25 million by the end of the year. The fund will support the local industrial sector in facing the challenges of the global financial crisis.
- During March, the Central Bank of Jordan declared a 50 basis points cut on its monetary policy instrument rates. The re-discount rate was reduced from 6.25% to 5.75%, the repurchase agreement (Repo) rate from 6.00% to 5.50%, and the Jordanian Dinar overnight window deposit rate from 4.00% to 3.50%. These rates were reduced by a further 50 basis points in May. The Central Bank also reduced the required cash reserves rate on banks' deposits in both local and foreign currencies from 9% to 7%. Moreover the Governor of the Central Bank of Jordan called for local banks to reduce unwarranted restrictions in granting credit facilities. Economists have confirmed that the Central Bank's interest rates cut will have a positive impact on the Kingdom's national economy, but will depend on local banks' commitment to reduce interest rates, in addition to the amount of liquidity available to the industrial sectors after the decision becomes effective.
- The Department of Statistics will adopt a new basket to measure the Consumer Price Index. The basket will include 851 products compared to the 822 products included in the old basket,

where 31 new items have been added and 7 others have been excluded. The Department has relied on surveys of household income and expenditures carried out in 2006 to determine the basket contents and weightings.

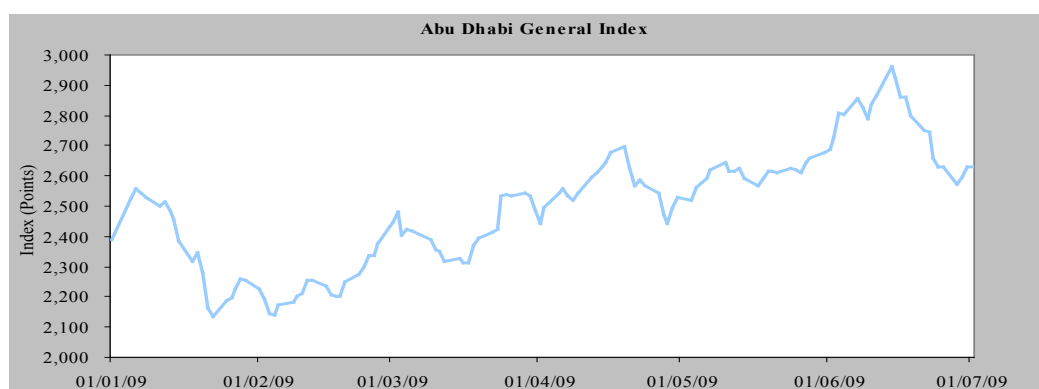
- The Amman Stock Exchange launched the new version of the electronic trading system NSC V900.
- The Companies Control Department announced that it has reduced the minimum required paid-up capital for limited liability companies from JD 30 thousand to JD one thousand. This approach aims at removing one of the obstacles facing businessmen planning to establish a private company.
- Total investment projects benefiting from the Investment Promotion Law during the first quarter of 2009 reached JD 249.8 million compared to JD 226.4 million during the same period last year. The Industrial Sector claimed the lion's share of investments, accounting for 85% of the total, followed by the transportation sector and hotel industry with 6.5% and 4% respectively.
- The Development Zones Commission (DZC) announced that the Dead Sea Area will be declared as a development zone area during the World Economic Forum. Moreover, the Prime Minister has approved the establishment of a public shareholding company fully owned by the Government under the name of "Dead Sea Development Corporation" to manage and develop lands, infrastructure, and services in the area.
- In a bid to boost the Kingdom's real estate sector, the Cabinet announced the exemption of the first 120 square meters of residential units from registration fees and related expenses, provided that the area of the entire unit does not exceed 300 square meters. If the area of the unit exceeds 300 square meters then the entire area is subject to registration fees and related expenses. Moreover, the Cabinet announced the reduction of registration fees for cultivated and uncultivated lands from 5% to 2.5%. The Department of Land and Surveys confirmed that the new law will lead to a decline in prices of such units by around JD 3,500.
- The Board of Commissioners of the Jordan Securities Commission resolved to increase the minimum paid-up capital requirement of financial services companies' before licensing them to offer financial brokerage services. The minimum amount required will be set at JD 10 million for public shareholding companies and JD 5 million for limited liability and private shareholding companies.

9.0 REGIONAL MARKETS

9.1 Abu Dhabi Stock Exchange

Despite the rocky start for the Abu Dhabi General Index in 2009, where it fell from 2,585.3 points on January 6th to the year's low of 2,130.0 points on the 22nd, the overall trend followed by the Index was upwards, ending the first quarter of the year at 2,487.9 points, up 4.1% year-to-date. The Index ascent continued during the second quarter of the year, particularly during the month of June, where the Index soared to 2009's peak of 2,968.3 points on the 14th, before slumping down to end the first half of the year at 2,631.3 points, registering a rise of 10.1% since the start of the year and 5.8% during the second quarter alone.

The Abu Dhabi General Index rose by 10.1% during H1 2009



Market Highlights

Trading Volume	20.90 billion	P/E (TTM)*	7.68s
Total Turnover	AED 36.38 billion	P/BV*	1.22x
Daily Average Turnover	AED 288.75 million	ROE	14.27%
Market Cap (June 30th, 09)	AED 251.20 billion	ROA	3.08%

* As of July 5th 2009
Source: Zawya

Abu Dhabi's Top Share Performers

Company Name	Change in Price
Abu Dhabi Aviation (ADAVIATION.ADSM)	107.10%
Dana Gas (DANA.ADSM)	81.36%
Methaq Takaful Insurance Company (METHAQ.ADSM)	73.96%
Union National Bank (UNB.ADSM)	62.16%
Emirates Driving Company (DRIVE.ADSM)	59.56%

Source: Zawya

The highest price appreciation during the period was for ADAVIATION.ADSM with a 107.1% increase

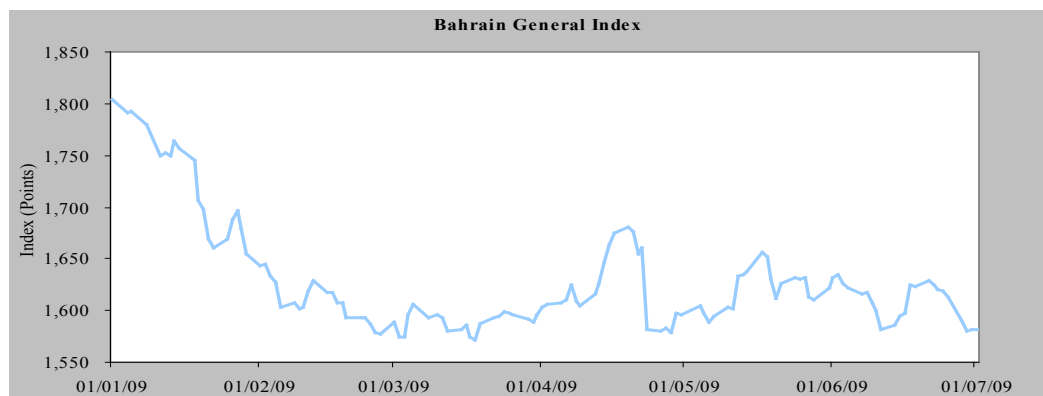
Abu Dhabi Heavyweights' H1 2009 Financial Highlights

- Emirates Telecommunications Corporation (ETISALAT.ADSM) announced profits for the first half of 2009 amounting to USD 1.25 billion compared to the USD 1.39 billion profits generated for the same period of 2008. The Company's General Assembly approved the distribution of cash dividends of AED 0.25 per share, payable on August 6th.
- National Bank of Abu Dhabi (NBAD.ADSM) registered profits of USD 454.8 million in the first half of the year, against USD 509.3 million for H1 2008.
- First Gulf Bank (FGB.ADSM) announced profits of USD 415.35 million for the first half of 2009 versus USD 403.96 million for the same period of 2008.
- Aldar Properties' (ALDAR.ADSM) interim results revealed a sharp 79% decline in its Q2 2009 profits, giving a net profit for H1 2009 of USD 309.5 million.

9.2 Bahrain Stock Exchange

In contrast with the stock markets of the region which registered an overall positive movement during the first half of 2009, the Bahrain General Index experienced a sharp drop during January, falling from 2008's closing of 1,804.1 points to 1,655.0 points at the end of the month. The Index continued to decline, ending the first quarter of the year at 1,595.9 points, before recovering sharply and dropping once more, reaching its low for 2009 of 1,558.3 points on April 23rd. The Index continued to oscillate within a narrow range of less than 100 points, and closed the first half of the year at 1,581.7 points, down 12.3% in the six months.

Bahrain's General Index slumped by 12.3% during H1 2009, closing at 1,581.7 points



Market Highlights

Trading Volume	493.23 million	P/E (TTM)*	7.98x
Total Turnover	BHD 90.86 million	P/BV*	1.21x
Daily Average Turnover	BHD 0.73 million	ROE	10.53%
Market Cap (June 30th, 09)	BHD 6.67 billion	ROA	1.53%

*As of July 5th 2009
Source: Zawya

Bahrain's Top Share Performers

Company Name	Change in Price
Al Salam Bank - Bahrain (SALAM.BSE)	30.68%
Gulf Finance House (GFH.BSE)	12.17%
The Bahrain Ship Repairing & Engineering Company (BASREC.BSE)	8.13%
Ithmaar Bank (ITHMR.BSE)	7.89%
Gulf Hotels Group (BHOTEL.BSE)	7.00%

Source: Zawya

The top gainer for the period was SALAM.BSE, with a 30.7% increase in share price

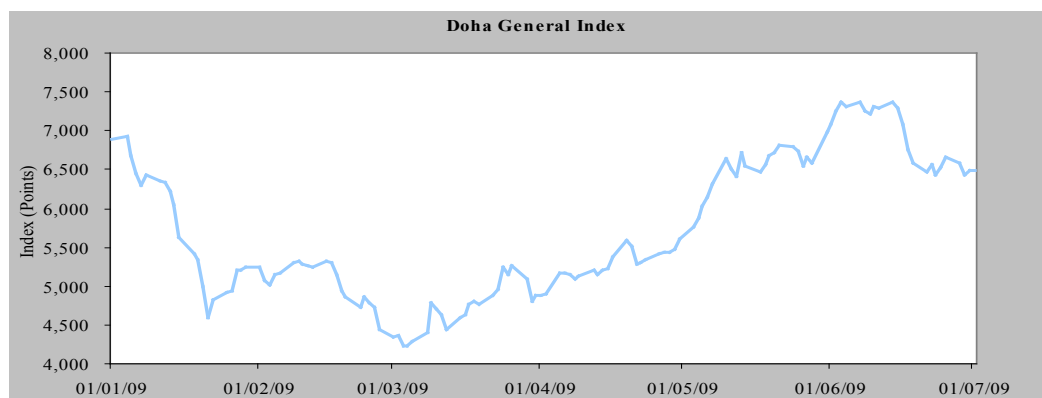
Bahrain Heavyweights' H1 2009 Financial Highlights

- Bahrain Telecommunications Company (BATELCO.BSE) registered a 6.7% increase in profits, reaching USD 143.80 million as of June 30th 2009 compared to profits of USD 134.79 million one year prior.
- Gulf Hotels Group (BHOTEL.BSE) announced profits of USD 16.16 million in H1 2009, up from USD 14.44 million in H1 2008.
- Bahrain Islamic Bank (BISB.BSE) registered a dramatic fall in profits, reaching USD 5.78 million at the end of the first half of 2009 compared to profits of USD 68.52 million at the end of the first half of 2008.
- United Gulf Bank B.S.C. - Bahrain (UGB.BSE) realised profits of USD 14.9 million for H1 2009, registering 79% lower than H1 2008.

9.3 Doha Stock Exchange

The first quarter of 2009 was difficult for the Doha General Index, where it slumped from 6,886.1 points at the opening of the year to its low for 2009 of 4,201.7 points on March 3rd. However, from then onwards, the trend reversed upwards, closing the first quarter at 4,887.0 points and reaching the year's high of 7,449.7 points on June 3rd. During the final couple of weeks of June, the Index changed direction once again, falling to below the 6,500 point mark before trading horizontally and ending the first half of the year at 6,491.7 points, up 32.8% compared to the first quarter, but down 5.7% on a year-to-date basis.

Following a sharp decline in the Doha Index at the start of the year, in spite of a remarkable subsequent recovery, the Index still registered a 5.7% drop in H1 2009



Market Highlights

Trading Volume	2.07 billion	P/E (TTM)*	9.98x
Total Turnover	QAR 52.28 billion	P/BV*	2.04x
Daily Average Turnover	QAR 408.44 million	ROE	20.55%
Market Cap (June 30th, 09)	QAR 269.98 billion	ROA	4.59%

* As of July 5th 2009
Source: Zawya

Doha's Top Share Performers

Company Name	Change in Price
Qatar Company for Meat and Livestock Trading (QMLS.DSM)	61.85%
Gulf International Services (GISS.DSM)	31.51%
Qatar Fuel Company (QFLS.DSM)	30.05%
Qatar Telecom (QTEL.DSM)	23.93%
Barva Real Estate Company (BRES.DSM)	16.17%

Source: Zawya

QMLS.DSM is Doha's top gainer during the period, rising by almost 62%

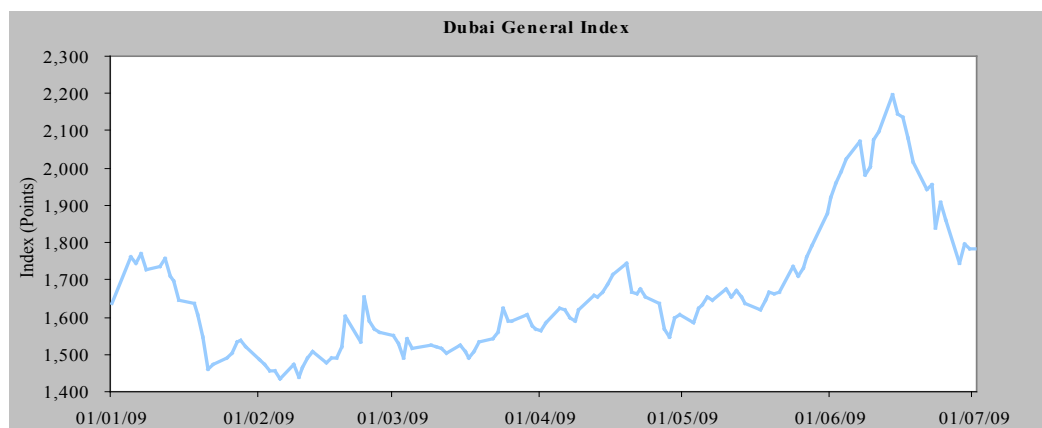
Doha Heavyweights' H1 2009 Financial Highlights

- The Commercial Bank of Qatar (CBQK.DSM) announced profits amounting to USD 259.15 million for the first half of 2009, down from USD 285.40 million for the same period of 2008.
- Qatar Islamic Bank (QIBK.DSM) realised profits of USD 223.25 million in H1 2009 compared to profits of USD 234.43 million in H1 2008.
- Qatar National Bank (QNBK.DSM) experienced a growth in profits from USD 510.03 million at the end of the first half of 2008 to USD 567.98 million for the same period this year.
- Qatar Electricity and Water Company (QEWS.DSM) generated profits of USD 114.03 million during the first six months of 2009, compared to profits of USD 95.84 million for the same period of 2008.

9.4 Dubai Financial Market

Following the prolonged free fall of the Dubai General Index in 2008, the launch of 2009 sparked a glimmer of hope for investors, as the Index registered an 8.3% rise in the space of three trading days. This correction in the Index was, however, short-lived, and the Index declined once again, dropping to its low for 2009 of 1,428.1 points on February 5th. By the end of the first quarter of the year, the Index has regained some ground, reaching 1,568.5 points, 4.1% lower than the start of the year. The Index began to follow a mild upward slope until mid-May, where the Index soared, reaching 2009's high of 2,201.0 points on June 14th, before dropping once more to end the first half of the year at 1,784.5 points, up 9.1% compared to 2008.

The sharp recovery of the Index in May and June meant that the Dubai General Index climbed 9.1% overall for the first six months of 2009



Market Highlights

Trading Volume	64.12 billion	P/E (TTM)*	8.66x
Total Turnover	AED 86.61 billion	P/BV*	0.96x
Daily Average Turnover	AED 687.41 million	ROE	10.31%
Market Cap (June 30th, 09)	AED 138.23 billion	ROA	1.99%

* As of July 5th 2009
Source: Zawya

Dubai's Top Share Performers

Company Name	Change in Price
Dar Al Takaful (DARTAKAFUL.DFM)	126.26%
SHUAA Capital (SHUAA.DFM)	72.00%
National Central Cooling Company (TABREED.DFM)	65.39%
Grand Real Estate Projects Company (GRAND.DFM)	60.00%
Takaful Al Emarat - Insurance (TAKAFUL-EM.DFM)	53.92%

Source: Zawya

DARTAKAFUL.DFM managed a 126.3% rise in share price during the period

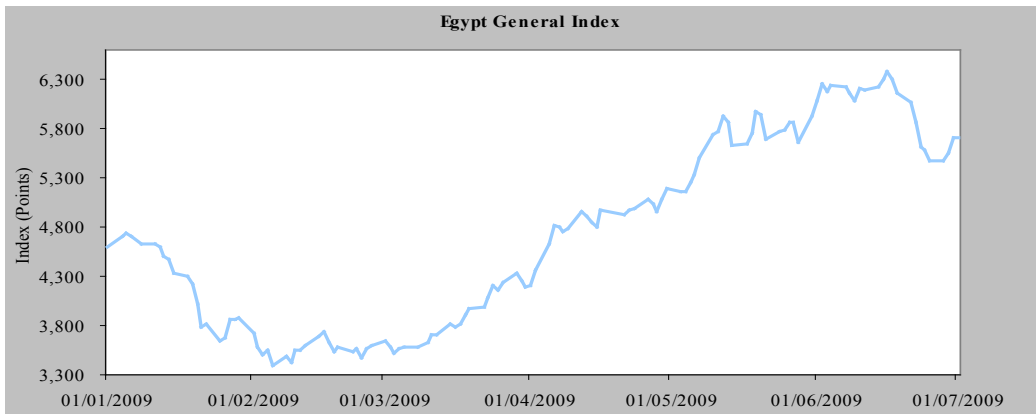
Dubai Heavyweights' H1 2009 Financial Highlights

- Dubai Islamic Bank (DIB.DFM) registered profits for the first half of 2009 amounting to USD 223.4 million.
- Emirates Intergrated Telecommunications Company's (DU.DFM) interim results surpassed by far the results achieved during the same period in 2008, with profits of USD 22.06 million for H1 2009 compared to a loss of USD 28.72 million in H1 2008.
- Dubai Financial Market (DFM.DFM) realised profits of USD 50.85 million in the first six months of 2009, down from USD 152.42 million for the same period last year.
- Emirates NBD (ENBD.DFM) achieved net profits of USD 574.75 million, compared to USD 720.76 million in H1 2008.

9.5 Egypt Stock Exchange

January was a hard month for the Egypt General Index, where it declined from 4,596.5 points at the end of 2008 to a low 3,623.9 points on January 26th. The Index recovered slightly in the final week of January before slumping further to a low for the year of 3,380.4 points on February 5th. From then onwards, the Index began to soar, reaching the peak for 2009 of 6,381.1 points on June 16th. The Index then reversed its trend, closing the first half of the year at 5,702.9 points, 24.1% higher year-to-date.

The ascent in the Egyptian General Index during the second quarter of 2009 translated into a 24.1% climb overall for H1 2009



Market Highlights

Trading Volume	16.89 billion	P/E (TTM)*	9.18x
Total Turnover	EGP 140.06 billion	P/BV*	1.80x
Daily Average Turnover	EGP 1.12 billion	ROE	18.85%
Market Cap (June 30th, 09)	EGP 399.79 billion	ROA	5.33%

* As of July 5th 2009
Source: Zawya

Egypt's Top Share Performers

Company Ticker	Change in Price
HC Securities and Investment (HCSL.CASE)	371.70%
El Shams Housing & Development Company (ELSH.CASE)	221.92%
United Arab Shipping Company (Egypt) (UASG.CASE)	211.62%
Ismailia National Company for Food Industries (INFL.CASE)	189.64%
Egyptian Chemical Industries (EGCH.CASE)	175.05%

Source: Zawya

HCSL.CASE was Egypt's top performer, with a 371.7% rise in share price

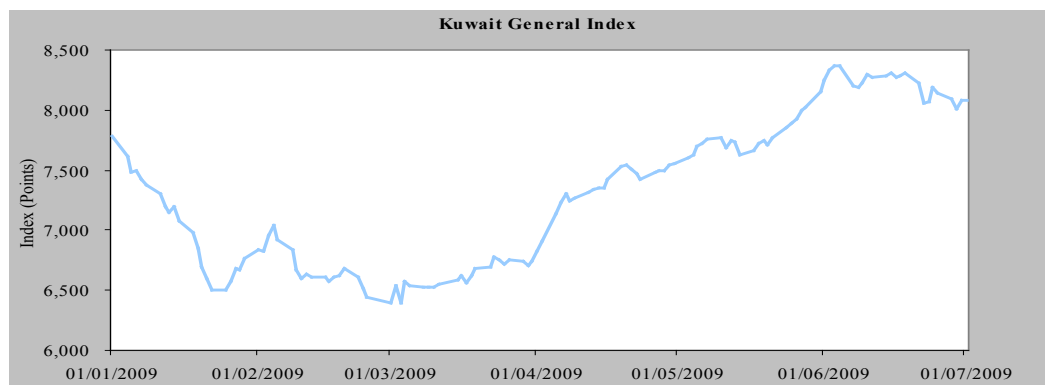
Egypt Heavyweights' H1 2009 Financial Highlights

- Egyptian Company for Mobile Services (EMOB.CASE) realised profits for the first half of 2009 of USD 171.53 million, up 4.4% year-on-year.
- Talaat Moustafa Group Holding's (TMGH.CASE) first half results revealed a 30.8% decrease in profits from USD 163.78 million during the first half of 2008 to USD 113.42 million.
- Abu Qir Fertilizers and Chemical Industries Company (ABUK.CASE) announced a 4.5% increase in profits during the first half of 2009 from USD 185.47 million to USD 193.90 million.
- Suez Cement Company (SUCE.CASE) realised profits of USD 119.18 million in H1 2009, falling from the USD 123.91 million achieved in H1 2008.

9.6 Kuwait Stock Exchange

The Kuwait General Index began its descent immediately into 2009, falling from 7,782.6 points at the end of 2008 to a low of 6,452.8 points on January 22nd, before picking up slightly in February and slumping once again to reach its low for 2009 of 6,367.6 points on March 1st. By the end of the first quarter of the year, the Index had reached 6,745.3 points, registering 13.3% lower than three months prior. The Index began to ascend sharply in the second quarter of 2009, reaching its high for 2009 of 8,438.6 points on June 7th, and ending the first half of the year up by 3.8% compared to 2008 year-end.

Kuwait's General Index rose from 7,782.6 points at the end of 2008 to a high of 8,438.6 points on June 7th, and by 3.8% during H1 2009



Market Highlights

Trading Volume	66.29 billion	P/E (TTM)*	14.15x
Total Turnover	KWD 13.13 billion	P/BV*	1.64x
Daily Average Turnover	KWD 105.08 million	ROE	(6.05%)
Market Cap (June 30th, 09)	KWD 31.72 billion	ROA	(1.38%)

* As of July 5th 2009
Source: Zawya

Kuwait's Top Share Performers

Company Ticker	Change in Price
Danah Al Safat Foodstruff Company (DANAH.KSE)	185.19%
MENA Holding (MENAHOLD.KSE)	165.39%
Combined Group Contracting Company (CGC.KSE)	156.00%
Al Safat TEC Holding (ATG.KSE)	129.73%
Investors Group Holding Company (INVESTORS.KSE)	106.06%

Source: Zawya

DANAH.KSE ranked top of Kuwait's gainers list, with a 185.2% increase in share price

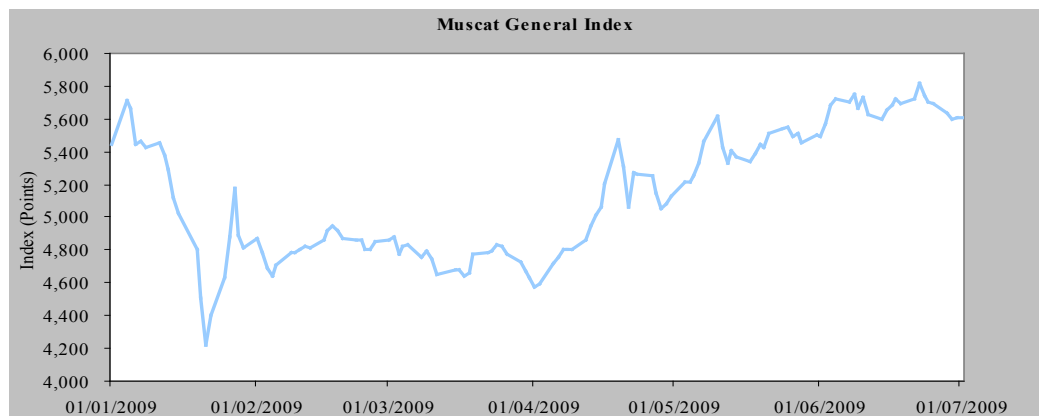
Kuwait Heavyweights' H1 2009 Financial Highlights

- Mobile Telecommunications Company (ZAIN.KSE) posted a 4.4% increase in its H1 2009 profits, rising to USD 533.5 million.
- The National Bank of Kuwait's (NBK.KSE) interim results revealed a drop in profits from USD 660.76 million during the first half of 2008 to USD 437.77 million for H1 2009.
- Kuwait Finance House (KFIN.KSE) realised profits for H1 2009 amounting to USD 250.30 million versus the USD 593.79 profits earned one year prior.
- The Commercial Bank of Kuwait (CBK.KSE) was subject to a huge drop in profits in H1 2009 compared to the same period in 2008, with profits declining from USD 265.92 million in 2008 to USD 3.10 million.

9.7 Muscat Stock Exchange

Following a brief upsurge in the Muscat General Index, the Index collapsed during the first month of 2009 from 5,441.1 points at the end of 2008 to 4,187.8 points on January 22nd, down a whopping 23.0% in the space of three weeks. The Index rebounded and began to trade relatively horizontally to end the first quarter of 2009 at 4,628.6 points, still down 14.9% year-to-date. During the second quarter of the year, however, things began to look up for the Index, where it commenced on a steady climb, reaching a high for 2009 of 5,819.3 points on June 23rd. At the end of the first half of 2009, the Index had risen 3.1% overall in the six months to close at 5,612.2 points.

The sharp drop in the Muscat General Index in January was more than compensated for in Q2 2009, giving an overall 3.1% rise in the Index for the period



Market Highlights

Trading Volume	3.22 billion	P/E (TTM)*	9.85x
Total Turnover	OMR 1.10 billion	P/BV*	1.75x
Daily Average Turnover	OMR 8.73 million	ROE	12.05%
Market Cap (June 30th, 09)	OMR 6.01 billion	ROA	2.43%

* As of July 5th 2009
Source: Zawya

Muscat's Top Share Performers

Company Ticker	Change in Price
Al Hassan Engineering Company (HECL.MSM)	167.89%
Al Anwar Ceramic Tiles Company (AACT.MSM)	122.11%
Oman Flour Mills Company (OFMI.MSM)	112.20%
Al Jazeera Services Company (AJSS.MSM)	110.53%
Oman and Emirates Investment Holding Company (OEIO.MSM)	106.36%

Source: Zawya

The top gainer for the period was HECL.MSM, with a 167.9% increase in share price

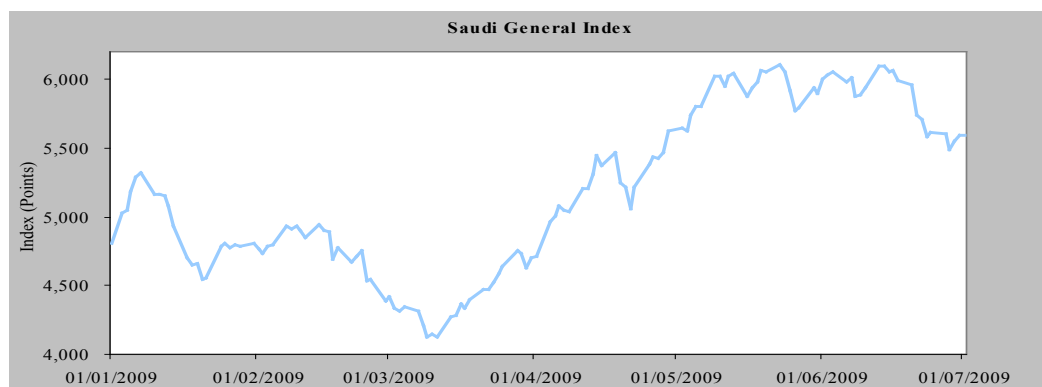
Muscat Heavyweights' H1 2009 Financial Highlights

- Raysut Cement Company (RCCI.MSM) announced profits of USD 44.94 million for the first half of 2009, down from USD 53.33 million for the same period of 2008.
- National Bank of Oman's (NBOB.MSM) interim results revealed profits for the H1 2009 period of USD 34.94 million, falling short of the USD 58.64 million profits realised in H1 2008.
- Oman Cement Company (OCOI.MSM) registered a 47.9% rise in profits year-on-year, reaching USD 29.03 million at the end of June 2009 compared to USD 19.63 million in H1 2008.
- Bank Sohar (BKSB.MSM) transformed a loss of USD 2.55 million in H1 2008 to a profit of USD 4.34 million in H1 2009.

9.8 Saudi Arabia Stock Exchange

Year 2009 started off well for the Saudi General Index, which rose from 4,803.0 points at 2008 year-end to a high 5,344.3 points on January 7th. The Index then corrected downwards, albeit with a slight recovery in February, to reach the low for the year of 4,149.2 points on March 10th. The Index then reversed its trend and assumed an aggressive upward climb, ending the first quarter of the year at 4,703.8 points, and climbing to its 2009 peak of 6,139.9 points on May 24th. By the end of the first half of 2009, the Index had registered an overall gain of 16.5% since the start of the year, to close at 5,596.5 points.

The Saudi Arabian General Index registered a rise of 16.5% during the first six months of 2009 to reach 5,596.5 points



Market Highlights

Trading Volume	37.96 billion	P/E (TTM)*	12.36x
Total Turnover	SAR 780.12 billion	P/BV*	1.86x
Daily Average Turnover	SAR 5.96 billion	ROE	6.32%
Market Cap (June 30th, 09)	SAR 1,073.02 billion	ROA	1.73%

* As of July 5th 2009
Source: Zawya

Saudi Arabia's Top Share Performers

Company Ticker	Change in Price
Al Sagr Company for Cooperative Insurance (8180.SSE)	307.44%
Alahli Takaful Company (8130.SSE)	285.15%
SABB Takaful (8080.SSE)	219.07%
Saudi Arabian Cooperative Insurance Company (8100.SSE)	205.80%
Ash-Sharqiyah Development Company (6060.SSE)	199.16%

Source: Zawya

Al Sagr Company was the top climber during H1 2009, followed by Alahli Takaful

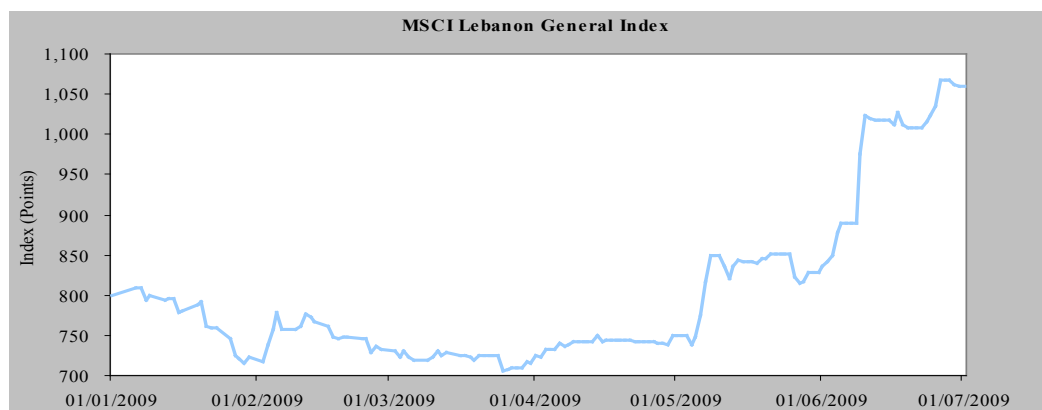
Saudi Arabia Heavyweights' H1 2009 Financial Highlights

- Saudi Basic Industries Corporation (2010.SSE) realised profits of USD 221.53 million in H1 2009, falling significantly short of the USD 3.86 billion achieved in H1 2008.
- Saudi Telecom (7010.SSE) registered a slump in profits from USD 1.83 billion for the first six months of 2008 to USD 1.46 billion for the first six months of 2009.
- Al Rajhi Bank's (1120.SSE) profits increased by 5% to reach USD 934.13 for the first half of 2009.
- The Saudi Electricity Company (5110.SSE) realised losses amounting to USD 15.05 million during H1 2009, compared to profits of USD 2.66 million one year prior.

9.9 Lebanon Stock Exchange

The MSCI Lebanon General Index started off 2009 following a downward trend, dropping from 799.8 points at the end of 2008 to a low 715.8 points on January 29th, before rising again to around the 760-point mark, before declining once again to reach its low for the period of 705.6 points on March 25th. At the end of the first quarter of the year, the Index had closed at 715.9 points, down 10.5% in the three months. From then onwards, it was almost consistently upwards for the MSCI Lebanon Index, reaching a high for the period of 1,068.1 points on June 26th and closing the first half of the year at 1,060.6 points.

The Lebanon MSCI General Index rose by a whopping 32.6% during H1 2009 to 1,060.6 points



Market Highlights

Trading Volume	22.32 million	P/E (TTM)*	12.28x
Total Turnover	USD 344.45 million	P/BV*	1.55x
Daily Average Turnover	USD 2.97 million	ROE	12.62%
Market Cap (June 30th, 09)	USD 11.08 billion	ROA	1.46%

* As of July 5th 2009

Source: Zawya

Lebanon's Top Share Performers

Company Ticker	Change in Price
The Lebanese Co. for the Dev. & Reconstruction of Beirut Central District (SOLA.LBSE)	53.39%
Rasamny Younis Motor Company (RYM.LBSE)	50.00%
Bank Audi (AUSR.LBSE)	16.64%
Byblos Bank (BYB.LBSE)	15.00%
Bank of Beirut (BOBPC.LBSE)	4.90%

Source: Zawya

SOLA.LBSE was the period's top gainer, ascending by 53.4%

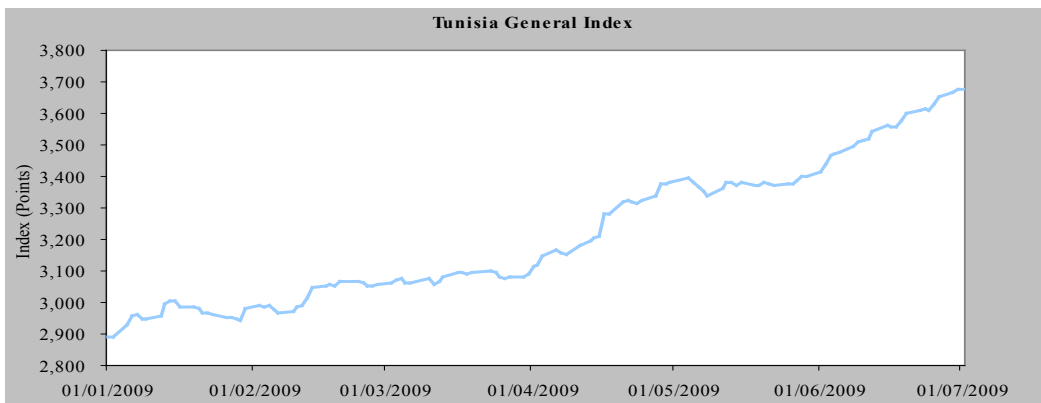
Lebanon Heavyweights' H1 2009 Financial Highlights

- Bank Audi (AUSR.LBSE) announced profits amounting to USD 128.38 million for the first half of 2009, down from USD 123.80 million for the same period of 2008.
- Bank of Beirut (BOB.LBSE) announced profits of USD 29.49 million in H1 2009, down from USD 30.39 million in H1 2008.
- Byblos Bank (BYB.LBSE) experienced a 4% growth in profits from USD 57.38 million at the end of the first half of 2008 to USD 59.44 million for the same period this year.
- Banque Bemo's (BEMO.LBSE) profits for the first half of 2009 amounted to USD 4.95 million compared to USD 4.86 million over the same period in 2008.

9.10 Tunisia Stock Exchange

The Tunisia General Index followed a slow and steady climb, with only meagre downward blips along the way, rising from 2,890.0 points at the end of 2008 to 3,092.0 points, registering a 7.0% increase over the first quarter of the year. The Index ascent didn't stop there, however; the Index continued to rise during the second quarter of 2009 to reach a high for the six months of 3,676.4 points, which coincided with the closing of the first half of the year, giving an overall rise in the Index for H1 2009 of 27.2%.

The Tunisian General Index was one of the region's top performers, climbing by 27.2% during H1 2009



Market Highlights

Trading Volume	65.18 million	P/E (TTM)*	15.06x
Total Turnover	N/A	P/BV*	2.10x
Daily Average Turnover	N/A	ROE	13.85%
Market Cap (June 30th, 09)	TND 10.15 billion	ROA	1.70%

* As of July 5th 2009
Source: Zawya

Tunisia's Top Share Performers

Company Ticker	Change in Price
Societe Tunisienne de Verreries (SOTUV.TSE)	253.80%
Societe Immobiliere Tuniso-Seoudienne (SITS.TSE)	82.69%
Societe Tunisienne d'Assurances et de Reassurances (START.TSE)	63.40%
Societe Magasin General (MAG.TSE)	44.07%
Societe Generale Industrielle de Filtration (GIETSE)	43.45%

Source: Zawya

SOTUV/TSE registered a 253.8% increase in share price during the period

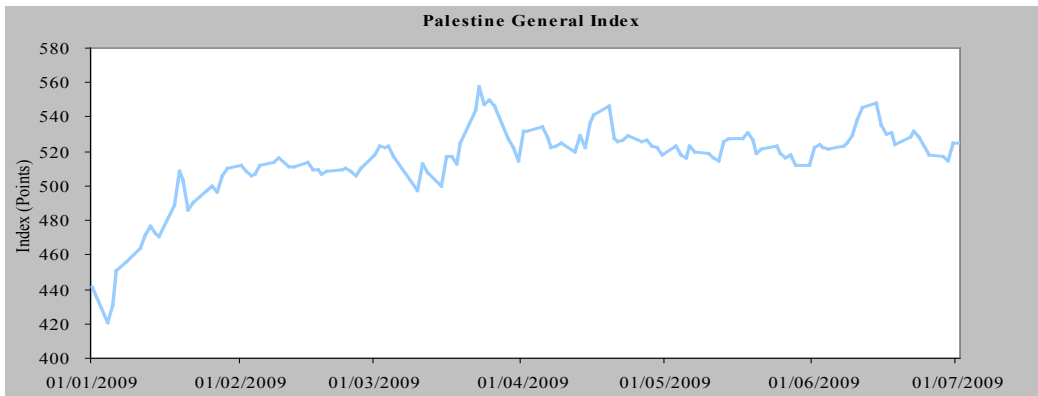
Tunisia H1 2009 Financial Highlights

- Union Bancaire Pour Le Commerce Et l'industrie's (UBCI.TSE) first half results revealed an impressive 113.9% increase in its profits compared to same period last year, with net profits amounting to USD 10.99 million compared to USD 5.14 million.
- Amen Bank (AB.TSE) announced profits of USD 14.85 million for the first half of 2009 as opposed to USD 15.51 million for the same period of 2008.
- Astree Assurance's (AST.TSE) net profits grew from USD 3.61 million during the first half of 2008 to USD 5.36 million in the first six months of 2009.
- Air Liquid Tunisie (AL.TSE) registered profits for the first half of 2009 amounting to USD 3.95 million.

9.11 Palestine Stock Exchange

While the Palestine General Index commenced year 2009 with a drop from 441.7 points at the end of 2008 to 420.5 points on its first day of trading, the remainder of the first quarter of the year saw the Index rise to a high for H1 2009 of 561.4 points on March 23rd, and close the quarter at 514.6 points. For the second quarter of the year, the Index traded relatively horizontally, aside from two brief ascents in the Index in mid-April and mid-June. At the end of the first half of 2009, the Palestine General Index stood at 524.9 points, giving an 18.8% rise in the Index for the period.

The Palestinian General Index rose by 18.8% during the first six months of 2009 to reach 524.9 points



Palestine Heavyweights' Financial Highlights

- Palestine Telecommunications Company's (PALTEL.ASE) interim results increased from USD 59.61 million in H1 2008 to USD 87.81 million in H1 2009.
- Palestine Investment Bank (PIBC.PSE) realised profits of USD 2.24 million in the first six months of 2009 compared to USD 2.48 million for the same period last year.
- Alrafah Micro Finance Bank's (AMB.PSE) first half interim results revealed a 466.5% increase in profits from USD 203 thousand during the first half of 2008 to USD 1.15 million.
- Palestine Industrial Investment Company's (PIIC.PSE) profits for the first six months of 2009 rose to USD 1.15 million compared to USD 203 thousand for the same period last year.

10.0 OUTLOOK

The downturn of global financial markets since mid-2008 has been blamed on a liquidity crisis following the subprime mortgage debacle in the United States and the accompanying financial crash. However, in more accurate terms, the world is facing a severe confidence crisis, leading to a shrinkage of the investment pool, a reluctance to lend by both financial institutions and investors, and a preference to hoard any available cash under the bedroom mattress. Market sentiment has been, and is expected to continue to be negative, as the extent of the global damage inflicted over the past couple of years is unlikely to be reversed in the short- to medium-term, and a fear remains of secondary ripples of problems that have not yet hit shore. Jordan is already feeling the burn, with a 2.4% decline in remittances from expatriated Jordanians, and a slump in foreign investment to JD 155 million, the lowest level reached since 2003.

The global financial crisis drove the world into a state of severe confidence crisis

Credit conditions are expected to remain tight as banks increase precautions as organisations and individuals alike begin to show signs of struggle. The interim financial results for the first half of 2009 revealed an overall poor performance, with a sizeable portion of companies realising losses. This has highlighted poor corporate fundamentals and weakening operations, in addition to the extent the poor stock market performance has fed through to organisations' bottom lines. Unemployment figures are projected to rise as companies reduce their workforce as a cost-cutting mechanism, thereby increasing hardship and weakening pricing power.

... with the poor H1 2009 financial results caused the capital market to further plummet

Bad news, both existing and expected, is already discounted into prices of stocks. Therefore, in the absence of any further major negative news, stocks prices will not continue to slump indefinitely. Unfortunately, however, the existence of a 5% limit on stock markets in the Jordanian capital market prevents an efficient fluctuation in price, meaning that the downward journey of prices to fully reflect investor expectations may still be a long one. On a positive note, however, stock markets tend to recover ahead of the economy, and with some consensus that the global recession will ease and begin to turn by 2010 does give a glimmer of hope to investors. The aggressive monetary and fiscal stimulus efforts of governments worldwide are also likely to help speed up the recovery process.

For the local market, the sustained prices of oil over the USD 60 per barrel threshold bodes well in terms of incoming investments from the GCC. Inflation has also dropped substantially from the highs of 2008, and the existing low interest rates are also likely to help boost the economy, a fact that will reflect on the capital market.

Furthermore, the recent announcements of the reimbursement of JD 21.1 million relating to the embezzled funds by brokerage companies in international bourses to investors should help restore some liquidity to the market, although doubt remains as to whether any of these funds would be reinvested.

Overall, the outlook is hazy. There are too many uncertainties present to make any definite predictions. Analysts globally are bullish on the market outlook, but we remain on the cautious side, not expecting a recovery until 2010 at the earliest.

The future of the Amman Stock Exchange is still not clear..

On an investment note, there are many attractive opportunities available in the market, as many shares have overshot on the downside, rendering them undervalued. Astute investors would be advised to exercise due diligence in accumulating stocks of companies with strong fundamentals and a positive future outlook, with a long-term investment horizon.

... however, there remains opportunities for astute investor to start rebuilding positions in time for the market recovery

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