
STOCKS WATCH LIST
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ABC 
Investments

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OVERVIEW OF OUR STOCKS WATCH LIST AND SCREENING PROCESS

Since the end of June 2008, the Amman Stock Exchange General Index has dropped by a substantial 43.3% from 4,772.2 points on June 30th 2008 to 2,708.2 points as of March 31st 2009 on the back of a sharp downward correction in the market in response to negative market sentiment following the fallout in the U.S. sub-prime mortgage market, the global credit crunch, inflationary pressures and the global economic slowdown. As a result, many companies' share prices have overshot on the downside, rendering them undervalued and attractive for a buy-and-hold strategy.

To date, there are 70 companies listed that have a share price below par value. Moreover, there are 81 companies which are currently trading below book value as of the last financial statements. While the fall in share price below book value may be an indicator that investors are pessimistic about a company's future earnings potential or that its returns are insufficient to cover the required return by investors, we have used this factor as our primary screening factor, before applying a variety of other screening factors.

The screening factors used in the accompanying tables were as follows:

Table	Screening Factor 1	Screening Factor 2	Screening Factor 3
Table 1	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Descending Order According to EPS
Table 2	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Descending Order According to ROAA
Table 3	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Descending Order According to ROAE
Table 4	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Ascending Order According to P/E Ratio
Table 5	Share Price < Book Value	Positive Earnings in Last Produced Financials	Sorted in Ascending Order According to P/BV Ratio

One word of caution, however; these lists **do not** represent recommendations of stocks to buy. These lists merely highlight attractive looking stocks based on their current price and their last produced financial statements. Economic conditions and developments since the last financial statement date may have a dramatic impact on the current and future financial and economic position of these companies, which will ultimately present an entirely different perspective on them. Some of these stocks are inherently risky and may, in the post-financial reporting period, have become loss-generating, or may be operating in an industry with a negative outlook. Therefore, we recommend you exercise due diligence before taking any investment action.

LIST OF STOCKS TRADING AT BELOW BOOK VALUE RATED ACCORDING TO KEY RATIOS

Table 1 - Top 10 Companies Based on Annualised EPS

Company	Ticker	Date of Financial Statement	Paid up Capital	Total Assets	Shareholders' Equity	EPS*	ROAA	ROAE	Share Price	P/E	BV	P/BV
AL-AMIN FOR INV	AAFI	Q4 2008	10,000,000	21,422,352	19,664,916	0.538	28.5%	30.8%	1.83	3.40	1.97	0.93
JOR WORSTED MILL	JOWM	Q4 2008	15,000,000	81,640,455	77,950,958	0.292	4.7%	4.9%	5.00	17.10	5.20	0.96
AMAD REAL ESTATE INV.	AMAD	Q4 2008	6,600,000	11,198,195	10,560,063	0.274	17.0%	18.0%	1.23	4.49	1.60	0.77
CAIRO AMMAN BANK	CABK	Q4 2008	80,000,000	1,462,244,466	151,500,924	0.254	1.5%	13.7%	1.88	7.41	1.89	0.99
UNION TOBACCO	UTOB	Q4 2008	15,000,000	62,540,236	33,099,399	0.243	5.6%	9.9%	1.87	7.71	2.21	0.85
ARAB EAST INVST.	AEIV	Q4 2008	47,000,000	123,865,224	97,472,425	0.196	8.1%	11.7%	1.63	8.32	2.07	0.79
JO REALESTATE	JRCD	Q4 2008	30,000,000	42,277,291	36,737,442	0.164	11.4%	13.0%	0.92	5.63	1.22	0.75
JORDAN AHLI BANK	JONB	Q4 2008	110,000,000	2,106,172,872	201,458,941	0.158	0.9%	8.8%	1.64	10.37	1.83	0.90
ARAB BANKING CO.	ABCO	Q4 2008	64,471,875	587,006,228	85,103,604	0.154	1.7%	12.2%	1.31	8.51	1.32	0.99
UNIV MOD INDCO	UMIC	Q4 2008	6,000,000	10,477,938	8,947,638	0.148	8.5%	10.2%	1.05	7.09	1.49	0.70

* Represents annualised EPS in cases where date of financial statements is not Q4 2008

Table 2 - Top 10 Companies Based on ROAA

Company	Ticker	Date of Financial Statement	Paid up Capital	Total Assets	Shareholders' Equity	EPS*	ROAA	ROAE	Share Price	P/E	BV	P/BV
AL-AMIN FOR INV	AAFI	Q4 2008	10,000,000	21,422,352	19,664,916	0.538	28.5%	30.8%	1.83	3.40	1.97	0.93
AMAD REAL ESTATE INV.	AMAD	Q4 2008	6,600,000	11,198,195	10,560,063	0.274	17.0%	18.0%	1.23	4.49	1.60	0.77
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.54	2.02	1.15	0.47
RESOURCES INVEST	JOMA	Q4 2008	11,000,000	12,586,832	12,467,471	0.131	12.2%	12.3%	1.08	8.23	1.13	0.95
JO REALESTATE	JRCD	Q4 2008	30,000,000	42,277,291	36,737,442	0.164	11.4%	13.0%	0.92	5.63	1.22	0.75
NAT CHLORINE	NATC	Q4 2008	9,000,000	12,136,923	11,204,153	0.118	8.8%	9.6%	1.14	9.69	1.24	0.92
UNIV MOD INDCO	UMIC	Q4 2008	6,000,000	10,477,938	8,947,638	0.148	8.5%	10.2%	1.05	7.09	1.49	0.70
ARAB EAST INVST.	AEIV	Q4 2008	47,000,000	123,865,224	97,472,425	0.196	8.1%	11.7%	1.63	8.32	2.07	0.79
CENTURY INV.GRP	CEIG	Q4 2008	5,191,560	8,620,079	6,279,511	0.108	6.3%	8.9%	0.96	8.87	1.21	0.79
SPCZ.TRDG&INVST	SPII	Q4 2008	3,075,000	4,254,000	3,621,875	0.095	6.3%	8.1%	0.94	9.86	1.18	0.80

* Represents annualised EPS in cases where date of financial statements is not Q4 2008

Table 3 - Top 10 Companies Based on ROAE

Company	Ticker	Date of Financial Statement	Paid up Capital	Total Assets	Shareholders' Equity	EPS*	ROAA	ROAE	Share Price	P/E	BV	P/BV
AL-AMIN FOR INV	AAFI	Q4 2008	10,000,000	21,422,352	19,664,916	0.538	28.5%	30.8%	1.83	3.40	1.97	0.93
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.54	2.02	1.15	0.47
AMAD REAL ESTATE INV.	AMAD	Q4 2008	6,600,000	11,198,195	10,560,063	0.274	17.0%	18.0%	1.23	4.49	1.60	0.77
CAIRO AMMAN BANK	CABK	Q4 2008	80,000,000	1,462,244,466	151,500,924	0.254	1.5%	13.7%	1.88	7.41	1.89	0.99
JO REALESTATE	JRCD	Q4 2008	30,000,000	42,277,291	36,737,442	0.164	11.4%	13.0%	0.92	5.63	1.22	0.75
RESOURCES INVEST	JOMA	Q4 2008	11,000,000	12,586,832	12,467,471	0.131	12.2%	12.3%	1.08	8.23	1.13	0.95
ARAB BANKING CO.	ABCO	Q4 2008	64,471,875	587,006,228	85,103,604	0.154	1.7%	12.2%	1.31	8.51	1.32	0.99
ARAB EAST INVST.	AEIV	Q4 2008	47,000,000	123,865,224	97,472,425	0.196	8.1%	11.7%	1.63	8.32	2.07	0.79
UNIV MOD INDCO	UMIC	Q4 2008	6,000,000	10,477,938	8,947,638	0.148	8.5%	10.2%	1.05	7.09	1.49	0.70
UNION TOBACCO	UTOB	Q4 2008	15,000,000	62,540,236	33,099,399	0.243	5.6%	9.9%	1.87	7.71	2.21	0.85

* Represents annualised EPS in cases where date of financial statements is not Q4 2008

Table 4 - Top 10 Companies Based on P/E

Company	Ticker	Date of Financial Statement	Paid up Capital	Total Assets	Shareholders' Equity	EPS*	ROAA	ROAE	Share Price	P/E	BV	P/BV
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.54	2.02	1.15	0.47
AL-AMIN FOR INV	AAFI	Q4 2008	10,000,000	21,422,352	19,664,916	0.538	28.5%	30.8%	1.83	3.40	1.97	0.93
AMAD REAL ESTATE INV.	AMAD	Q4 2008	6,600,000	11,198,195	10,560,063	0.274	17.0%	18.0%	1.23	4.49	1.60	0.77
JO REALESTATE	JRCD	Q4 2008	30,000,000	42,277,291	36,737,442	0.164	11.4%	13.0%	0.92	5.63	1.22	0.75
UNIV MOD INDCO	UMIC	Q4 2008	6,000,000	10,477,938	8,947,638	0.148	8.5%	10.2%	1.05	7.09	1.49	0.70
CAIRO AMMAN BANK	CABK	Q4 2008	80,000,000	1,462,244,466	151,500,924	0.254	1.5%	13.7%	1.88	7.41	1.89	0.99
UNION TOBACCO	UTOB	Q4 2008	15,000,000	62,540,236	33,099,399	0.243	5.6%	9.9%	1.87	7.71	2.21	0.85
RESOURCES INVEST	JOMA	Q4 2008	11,000,000	12,586,832	12,467,471	0.131	12.2%	12.3%	1.08	8.23	1.13	0.95
ARAB EAST INVST.	AEIV	Q4 2008	47,000,000	123,865,224	97,472,425	0.196	8.1%	11.7%	1.63	8.32	2.07	0.79
ARAB BANKING CO.	ABCO	Q4 2008	64,471,875	587,006,228	85,103,604	0.154	1.7%	12.2%	1.31	8.51	1.32	0.99

* Represents annualised EPS in cases where date of financial statements is not Q4 2008

Table 5 - Top 10 Companies Based on P/BV

Company	Ticker	Date of Financial Statement	Paid up Capital	Total Assets	Shareholders' Equity	EPS*	ROAA	ROAE	Share Price	P/E	BV	P/BV
FIRST JORDAN	FRST	H1 2008	150,000,000	240,219,108	172,315,675	0.267	16.7%	23.3%	0.54	2.02	1.15	0.47
AD-DULAYL INDUS. PARK	IDMC	Q4 2008	21,000,000	59,789,900	54,295,125	0.024	0.8%	0.9%	1.38	57.24	2.59	0.53
OFFTEC INVESTMENTS	BDIN	Q4 2008	42,000,000	48,890,061	43,112,073	0.012	1.1%	1.2%	0.58	48.51	1.03	0.57
TAJ TOURIST PROJ	MERM	Q4 2008	40,000,000	71,822,408	45,385,915	0.034	2.3%	3.0%	0.73	21.37	1.13	0.64
CONTEMPRO	COHO	Q4 2008	6,000,000	8,457,231	8,072,702	0.055	3.7%	4.0%	0.89	16.16	1.35	0.66
EKBAL PRINT CO.	EKPC	Q3 2008	5,000,000	8,372,631	6,403,845	0.076	4.4%	6.0%	0.87	11.48	1.28	0.68
AL-SANABEL INT'L	SANA	Q4 2008	20,000,000	21,702,305	21,529,483	0.006	0.6%	0.6%	0.74	115.34	1.08	0.69
GENERAL ARAB INS	GARI	Q4 2008	8,000,000	18,097,193	10,562,702	0.045	1.9%	3.2%	0.91	20.01	1.32	0.69
UNI ARAB INVEST	UAIC	Q3 2008	147,500,000	353,684,544	232,829,945	0.032	1.4%	2.0%	1.10	34.70	1.58	0.70
INDL CERAMIC	ICER	Q4 2008	6,000,000	8,649,080	6,968,512	0.065	4.5%	5.8%	0.81	12.40	1.16	0.70

* Represents annualised EPS in cases where date of financial statements is not Q4 2008

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