

Legislative and Regulatory Framework for the Stock Exchange Market in Jordan

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Received 14 March 2013; accepted 24 June 2013

Abstract

This paper attempts to shed light on the legislative and regulatory framework of Stock Exchange market in Jordan, with a focus on the instructions related to the protection of competition and preventing monopoly. The researcher recommends that the supervisors of the Amman Stock Exchange Securities must activate all the ways that will work on accessing information for all investors and thus raise the efficiency of the market and in order to prevent the possibility of achieving extraordinary profits.

Key words: Amman Stock Exchange; Legislative and regulatory framework; Industries

Manwa Nabulsi, Ruba Abu Shihab, Thikraiat Soufan, Shatha Abdul-Khaliq (2013). Legislative and Regulatory Framework for the Stock Exchange Market in Jordan. *Cross-Cultural Communication*, 9(3), 59-66. Available from: <http://www.cscanada.net/index.php/ccc/article/view/j.ccc.1923670020130903.3255> DOI: <http://dx.doi.org/10.3968/j.ccc.1923670020130903.3255>.

INTRODUCTION

Amman Stock Exchange is a major engine of economic activity for its role in mobilizing savings, investment financing of productive nature, an important tool for resource allocation, raising the productivity of investment, increasing the volume of investments, improving the performance of monetary policy and the provision of funds for the general budget. Also, Amman Stock Exchange performs an economic role in stimulating economic growth, for its ability to develop savings by encouraging investment in securities, where buying and

selling stocks and bonds of corporations and government bonds is the first function of the stock market. It provides local funding through mediating between owners surplus funds and borrowers in need of liquidity also providing funding for the government through proposing bonds offering to subscription.

1. THE REALITY OF THE STOCK EXCHANGE MARKET IN JORDAN

The Stock Exchange market in Jordan is ranked second in terms of relative weight in the Jordanian financial structure. Stock Exchange market was established in Jordan in 1978 and it was called Amman financial market. This is due to the increased volume of remittances of Jordanians working abroad and the high volume of aid and investment destined for Jordan. The market is managed by the Management Committee of Amman Stock Exchange market represented by the Central Bank, commercial banks and specialized lending institutions, Amman Chamber of Industry, the Federation of Jordanian Chambers of Commerce and corporate controller at the Ministry of Industry and Trade.

Amman Financial Market aims to develop savings by encouraging investment in securities and directing them to serve the national economy, regulate and control the issuance of securities transacted in what ensures the safety of this transaction, ease and speed, in addition to the protection of small savers.

Amman financial market is divided into the primary market (issues market), where first time issuers of securities offer their securities to savers for subscription, where the largest percentage of dealers are from brokerage financial institutions. Such offering in this market aims to drive companies to increase their capital against issuing new shares or against covering the deficit if the issuance is conducted by the government of Treasury bills or the company borrowing by means of issuing bonds. On the

other hand, the secondary market is the other part of Amman Financial Market, in which securities issued previously are sold for cash liquidity or purchased to reinvest savers money. This market is divided into the organized market in which securities governed by special offering terms and requirements are dealt on the one hand, and the parallel market on the other hand, which was founded in 1982 to encounter the rapid rise in the number of traded shares and the increased demand thereon. This market is preliminary to newly established companies intending to trade their shares in an organized manner, and seeking to enlist their shares on the organized market.

The financial instruments traded on the Amman Financial Market are as follows:

- **Stocks:** manifesting in participation of ownership as they represent a property right or a stake in the company's capital and assets. Such instrument is traded by unit that either contains 500 or 1000 shares.
- **Bonds:** a debt instrument established under a contract between the borrower and the lender, so that the borrower shall repay the principal amount and agreed interest.

The parties subject to the Securities Commission include the following:

1.1 Amman Stock Exchange

The law establishing the stock exchange market was passed in March 1999 as an alternative market of Amman Financial Market; namely *Amman Stock Exchange* was created. Membership in this market consisted of financial brokers in order to detach the supervisory role from the executive; which was left for the private sector. ASE is mandated to serve as a regulatory and control authority over securities exchange transactions by providing an appropriate environment for the interaction of the supply and demand forces on securities and to control, regulation, registration, settlement of transactions, and control the movement of prices, as well as to follow-up on the extent to which brokers apply trading procedures and auditing contracts concluded in the market, registration thereof in the market records, and submitting them to the shareholders departments of companies and distribute them to brokers, who in turn shall distribute them to their clients and collect applicable fees and commissions payable on securities property transfer, monitoring and follow-up activities of brokerage firms to ensure the safety and health of its operations, and following up on bond market in Jordan to increase its activity and offer technical and functional facilities to provide investors with the necessary information.

1.2 Mutual Funds and Investment Companies

Mutual funds may be defined as joint investment portfolios managed by individuals qualified to provide professional management of joint investments on behalf of

the shareholders or investment units in that market; based on the collection of funds and investing them collectively in securities. The owners of investment units' liability in the fund shall be on the basis of pro rata to their shares in the capital, provided that the fund's capital is not less than JD 500 thousand.

Investment funds generate funding through the sale of shares to individuals and then utilizing the proceeds to invest in a diverse portfolio of stocks and bonds, allowing for small savers to consolidate their savings and buy a larger amount of financial instruments, thereby reducing the costs of such transactions and reducing the risks due to the diversity of its investments. Shareholders may in this case sell what they have at any time as these financial instruments are characteristically secure and highly liquefiable, in addition to paying the returns on these tools to the shareholders in the Fund. The investment firm can be defined as the company which actively invests in and trade securities or a company which more than 50% of its total assets are held in the form of securities.

1.3 Securities Depository Center

It was founded in 1999, and the centre aims at enhancing the investors' confidence in securities and enables them to pursue their investments in securities conveniently. Furthermore, the centre aims at attracting capital and reducing transaction settlement related risks through creating a centralized register to maintain securities, register and deposit issued securities transfer of securities' property, conducting clearing for securities by calculating the net rights and liabilities of the trade parties arising under any contract.

1.4 Financial Services Companies

Financial services companies are represented by an individual who practices one or more brokerage businesses or any other activity as may be determined by the Securities Commission. Such an individual practices his/her activities in the secondary market, either for the benefit of his/her clients or for his/her own personal gain through utilizing the market mechanism and the supply and demand forces, which manifest in providing the necessary liquidity to the financial market and maintaining stability of prices and trading volume as well as market equilibrium.

1.5 Settlement Underwriting Fund

The Settlement Underwriting Fund was established on 31/12/2004, where the contribution of the broker in the Settlement Underwriting Fund is made in the form of an immediate payable bank guarantee as well as cash contribution to cover the deficit in the balance of the securities, which appears with the buyer-broker and seller-broker of securities.

2. INDICATORS OF FINANCIAL DEPTH OF AMMAN STOCK EXCHANGE

These ratios measure the extent of the stock market breakthrough of the Jordanian economy, where the increase of these ratios implies a sophisticated and well-established structure of the stock market. These indicators are as follows:

2.1 The General Index of Stock Prices

The stock prices index is one of the financial markets measures which indicate the level of stock prices and the general trend of prices, in addition to measuring changes occurring in stock prices during a certain period compared with a further period. Indices in ASE are calculated based on the last closing prices available by companies.

According to Table 1, we notice the new index that is likely at market values which adopts the December 1991 closing as the base year, had shown an increase of 58.6 points in 1978 reaching 425.6 points in 2004, as evidenced by the rise in the stock prices general trend for the period 1978-1982, reaching the highest growth rate in 1981 up to 120 points due to the increased demand for securities without having special offerings, which led to a rise in stock prices. Additionally, the general trend of stock prices has reflected distinguished success achieved by the market during this period, which are considered the first years of the market life.

Stock prices began to decline gradually during the period 1983-1986, where recession indicators began to appear on the market, manifested in declining demand for stocks and an increase in supply in the same period, which is clearly shown through the negative growth rate for this period, where a 24.6% drop occurred in 1983 to reach 7.9 in 1986. During the period between 1987-1993 stock prices began to rise again at varying rates as a result of the economic reform phase initiation, improvement of the investment climate, and enhancement of economic growth in Jordan.

Stock prices then began to decline again in 1994, where fluctuation of stock prices continued during the period 1994-2002 whereas the rise in 1995 can be attributed to the government's introduction of the Investment Act of 1995 which provided for establishing the Investment Board. In 2003 and 2004 the rise in the stock prices index to 53.8%, 62.4%, respectively, is attributed to Amman Stock Exchange perpetual efforts to provide the appropriate investment environment characterized by justice, transparency and protection needed by the investor on the one hand, and increase privatization of companies on the other hand, such as the Phosphate, Potash and Royal Jordanian. ASE had also achieved a third rank in stock prices index increase at a rate of 31.3% among Arab countries for the year 2007, which reflect higher stock prices in the ASE, and thus the general trend of stock prices and the outstanding success of the market compared to other financial markets in the Arab countries.

2.2 Market Value

The market value of the shares may be defined as the company's closing share price at the end of the year. The market value is one of the capital market indicators that reflect the financial depth and level of liquidity of Amman Stock Exchange (Central Bank, 2005). The market value had developed from 2,286 million Dinars in 1978 to approximately 22 billion Dinars in 2010. It is noted that the growth rates of the market value were fluctuating between high and low due to the political developments in the region. Such fluctuation can be read clearly in Table 2.

The volume to the market value ratio standard is a liquidity index in the Amman Stock Exchange that measures financial depth which reflects the trade volume for the Amman Stock Exchange. This rate had witnessed gradual rise to reach 31% in 2010 and an average of almost 22% during the study period, reflecting the impairment of the liquidity index in the stock market. The year 1992 was marked by an increase of this ratio to 39%, where such increase was due to increased oriented investments by Jordanians savers upon their return from the Gulf in 1990. The year 2008 was characterized by the increase of the ratio of up to 80%.

This index also predicts weak market liquidity when compared with a group of Arab countries, as it was ranked eighth, as the securities markets in the Arab countries are characterized by small sizes in terms of market value.

3. INSTRUCTIONS AND REGULATIONS RELATING TO THE PROTECTION OF COMPETITION AND PREVENTION OF MONOPOLY

In recent years, the Jordanian stock market had witnessed remarkable developments on both the regulatory and legislative levels which aimed in its entirety to increase the efficiency of their performance, strengthen the supervisory role, and stimulating transactions therein. Accordingly, the market is deemed efficient if prices reflect the information system of the company's performance issuing the traded securities, according to a set of the conditions necessary for the efficient, which require:

- Full competition between the various dealers in the market.
- Abundance of accurate financial and non-financial data and information related to the companies trading in the market.
- Disclosure of this information as quickly and at the lowest cost to all dealers in the market and in the same time.

The following are the most important instructions relating to encouraging competition and prevention of monopoly:

3.1 The Instructions on the Liberalization of the Capital Market

The Liberalization of the capital market means allowing foreigners to buy and to sell securities in the domestic financial market. Some economies believe that liberalization of the capital market reduces the cost of liberalizing the capital account because of the risk sharing between domestic and foreign companies.

In Jordan, non-Jordanian investors are allowed to own any enterprise in full or part in any proportion, with the exception of specific activities, the investor's contribution is not less than 50 thousand Jordanian Dinars in general, while it can be less than that in the event of his/her subscription to public shareholding companies. This has actually led to a rise in the number of investors and contracts significantly in the stock market in recent years. They are as follows:

3.2 The Number of Contracts

The number of contracts had increased from 133.1 thousand general contracts to 2000, bringing the number to 1880.2 performed contracts in 2010, meaning that the number of performed contracts had doubled 14 times. The daily average of performed contracts has risen from 541 general contracts in 2000 to 7.6 thousand contract in 2010 at an average growth rate in the number of performed contracts by 40% for the period 2000-2010 (see Table 3)

3.3 The Number of Investors

The ASE is an attractive means for foreign investment due to the exemption of bond yields and capital gains from taxes and no restrictions on the return of profits and capital and the freedom to own property without any limitations, where the numbers of non-Jordanian investors had risen from 16431 in 2003 to 18377 in 2004 investors. The growth rate of non-Jordanian investors in the Amman Stock Exchange accounted for 12.5% for 2004 and 6% growth rate of Jordanians shareholders in the Amman Stock Exchange, while in regards to the overall growth rate, the number of investors had increased at approximately 6% in 2004.

3.4 The Number of Listed Companies

The number of listed companies on the organized market for the period 1978-2004 had increased from 66 joint-stock companies in 1978 to reach (277) public joint-stock company at the end of 2010, where the ASE had witnessed mergers and liquidation of some public shareholding companies to insolvency of these companies for, which is reflected in drop of the number of public shareholding companies listed in the organized market from (101 companies) to (95) Companies at the end of the year 1994, while the number of joint-stock companies had consequently climbed in 1995 to up to (97) companies due to some companies movement from the parallel market to the organized market.

The period after the second half of the nineties did not witness any changes in the number of companies listed in the organized market, then rose gradually to reach (192) public joint-stock companies at the end of 2004. When comparing the number of listed companies, we find that Jordan has been ranked first for the period 2007-2010 among a group of Arab countries.

3.5 Governance for Listed Companies in ASE

The rules and principles of corporate governance became the most important topics at the level of the world economics, and has become an important element of enhancing the economic and regulatory success and reform in light of globalization and the openness of the countries' economies on each other and the intense competition; under the conditions and requirements set by international organizations and institutions to accept membership or to deal with the different countries of the world, institutions and markets of these countries. The Application of these rules and principles has also become a slogan adopted by public and private sectors alike and as a means to boost confidence in the economy of any country, and an indication of fair and transparent policies and rules to protect investors and dealers, and an indication of the its departments level of commitment to professional rules of good governance, transparency, accountability, the existence of procedures to reduce corruption, and the next step would be to promote the attractiveness of the economy to domestic and foreign investment and its competitiveness.

- The rules and instructions that came under the Securities Commission's instructions on corporate governance consist of several points as follows:

- The company establishes written operational procedures in accordance with the disclosure policy approved by the Board of Directors to regulate the affairs of information disclosure and follow-up on implementation thereof in accordance with the requirements of regulators and legislation in force.

The company shall provide the disclosure information to the shareholders and investors in an accurate, clear and straight-forward, and in the times specified, in accordance with the requirements of regulators and the legislation in force, enabling them to make their own decisions, including the disclosures related to the following: Periodic reports, Essential information, Properties of insiders and their relatives in the company, including board members, senior and executive management of the securities issued by the company, The benefits and privileges enjoyed by the members of the Board and senior executive management. The company shall organize its accounts and prepare their financial statements in accordance with international financial reporting standards IFRS. The company shall use its website to promote disclosure and transparency and provide information. The company should disclose its policies and programs concerning the local community and the environment.

3.6 Informational Disclosure on the Amman Stock Exchange

The Amman Stock Exchange promotes the principles of transparency and disclosure by disclosing the information that may be of interest to investors about the performance of companies, which may help them in making their decision to invest whether it be when issuing or offering of securities and prices, in addition to the continued disclosure of important events and related companies, brokerage and mutual funds. Such an action should be carried out through requesting a quarterly report of listed companies on the stock exchange, where the stock circulated quarterly reports on all brokers involved in the stock market through an internal network to familiarize their clients therewith, in addition to putting these reports on the stock exchange website.

The Amman Stock Exchange also publishes daily, weekly, monthly and yearly statistical bulletins including all of the information associated with trading and prices, as well as issuing a guide of Jordanian public shareholding companies, which provides trading information on magnetic files in an organized manner making it easier to conduct the studies.

ASE has launched its new website which was developed to meet the requirements and needs of the investors of live and historical information through development of the price bar that appears on the site so that it is easy to use. Trading bulletins has been developed in the form of files that enables use thereof with access to these publications for the last ten days, in addition to file mode that displays the time of executing contracts on companies' stocks.

The most important advantages of the information that has been added to the new web is the depth of the market, through which the interested person can learn the five best prices to buy and sell in a particular company during the trading session and directly, in addition to the movement of the general index during the trading session and the latest stock news. Furthermore, an agreement was signed for the dissemination of Spot trading information through the (SMS) in cell phones, where trading information are published in a live and direct manner.

Given the Table 4, it is concluded that the extent to which companies commit to providing the Securities Commission, or what is known as the principle of disclosure of the annual reports for the period 2002-2005, where the insurance sector ranked first in 2002 and 2003 reaching percentages of 56%, 68%, respectively, while the services sector was ranked first for the year 2004 reaching 85%, and the banking sector in 2005 increased by 100%.

On the other hand, the stock market has been exposed to a lot of information showing that the contribution of the Amman Stock Exchange in financing policies appearing through different means of oriented funding for different types of activities carried out by institutions, as shown in

Figure 1 annual turnover for the economic sectors, which reflects in turn, market activity for the economic sectors, where the trading volume had increased for the various sectors for the period 2000-2010, where the financial sector achieved the highest rate of increase in trading volume at 74% approximately, followed by the volume of the services sector at an average of 61% approximately, followed by trading volume in the industry sector at an average of approximately 50%.

Trading volume Index to GDP ratio index is an indicator of financial depth of the securities market and the extent of liquidity, where this percentage began gradually to increase from 0.3% in 1978 to reach 220% approximately in 2008, showing the extent of penetration of Amman Stock Exchange of the Jordanian economy represented by GDP at an average of almost 30% for the study period from 1978 to 2010, reflecting the weak liquidity indicator for the stock market in Jordan, but this indicator tends to being relatively high when compared with a group of Arab countries.

The trade volume in Amman Stock Exchange for the period (2000-2005) had witnessed an increase for all sectors, while the period saw (2006-2008) fluctuation in trading volume between the rise and fall as a result of economic and political developments experienced by the region, and the period 2009 -2010 trade volume fell due to the global financial crisis.

As shown in Figure 2 The contribution of Amman Stock Exchange in financing policy for various types of activities practiced by the institutions on the basis of the index of stock prices is based on the weighted market value of the share capital in the ASE classified by sector for the period (1978-2010), where the number for share prices index the level of stock prices determines the general trend of prices, measures the changes in stock prices during a certain period, compared with the other.

We note from Figure 2 the rise in the general trend of stock prices to economic sectors different for the period 1978 to 2004, the index for the banking sector at an average of 31%, followed by the industry sectors and insurance at an average rate of 12%, and finally the services sector with an average rate of approximately 5% for the period 1978-2010.

The likely index by market value had increased for all sectors for the period 1978-1982, where the insurance sector achieved the highest increase of 131.9% due to increased demand for trading in securities without a special sale which led to rising stock prices, while experienced stock market decline in the trend of prices for all sectors during the period 1983 – 1986 especially the services sector by 33% in 1983. The period of 1987 to 1990 witnessed a state of instability in the trend of prices because of the economy is affected by the Jordanian crisis, the collapse of the exchange rate of the dinar and the war in the Persian Gulf, which resulted in lower volume Arab aid and the size of remittances from Jordanians abroad,

while the period between 1991-1993 witnessed a rise in the index due to the return of Jordanian in the Gulf and invest their money in the Amman Stock Exchange.

The economic sectors index had decline in the period 1994-2000 due to suspending the peace process, the effects of the sanctions imposed on Iraq in 1996 and the global decline in oil prices in 1996. A record of instability happened in the trend of prices for the sectors of the various economic influenced by events economic and political, which was experienced by the region during the period 2001 - 2007, while the period 2009 - 2010 index has declined due to the global financial crisis.

3.7 Updating Legislative Rules and Regulations in the Financial Market

In recent years, the stock market in Jordan has experienced significant developments on the regulatory and legislative levels, in its entirety aimed to increase the efficiency of their performance and strengthen the supervisory role and activate the deal. These developments were reflected on the performance of these markets, where the Jordanian government adopted a policy of comprehensive reform of the capital market in 1997, is based on the separation of the regulatory and legislative role of the capital market from the executive, who left for the private sector. So take JSC supervisory and legislative role, and holds the Oman market and the Securities Depository Center executive role. Then issued securities law new No. (76) for the year 2002, which allowed the creation of more than a market for trading of securities in the Kingdom, where the Department of trade the shares of public joint stock companies in the market of Oman to the markets, according to the standards of equity and profitability and the number of shareholders and standards of liquidity and disclosure. The new instructions gave the market the power to impose sanctions on issuers of securities listed on the market in the event of non-compliance with the provisions of the insertion instructions and decisions issued by the market about them, these sanctions ranged between warning and cancellation the listing of securities issued by it.

Table 2
Total Market Value of the Amman Stock Exchange for the Period (1978-2010)

Year	Market value	Volume	GDP	Market value growth rate %	Volume / Market value	Market value ratio/ domestic product %
1990	1293.2	268.9	3419.3	-7.7	20.8	37.8
1991	1707.1	302.8	3474.3	32.0	17.7	49.1
1992	2295.6	887.0	3972.9	34.5	38.6	57.8
1993	3463.9	968.6	4151	50.9	28.0	83.4
1994	3409.3	495.1	4358.1	-1.6	14.5	78.2
1995	3495.4	419.0	4627.7	2.5	12.0	75.5
1996	3461.2	248.6	4723.5	-1.0	7.2	73.3
1997	3862.0	355.2	4880.5	11.6	9.2	79.1
1998	4156.6	464.4	5027.6	7.6	11.2	82.7
1999	4137.7	389.5	5198.0	-0.5	9.4	79.9
2000	3509.6	334.7	12364	-15.2	9.5	28.4
2001	4476.7	668.7	14109.7	27.6	14.9	31.7
2002	5029.0	950.3	15606.8	12.3	18.9	32.2
2003	7772.8	1855.2	18304.2	54.6	23.9	42.5

To be continued

CONCLUSION

The researcher recommends that the supervisors of the Amman Stock Exchange Securities must activate all the ways that will work on accessing information for all investors and thus raise the efficiency of the market and in order to prevent the possibility of achieving extraordinary profits by some through: Working on training the work force to become more specialized in technical fields as they need for more sophisticated electronic systems in the field of trade audit in the national capital; working to raise the level of competitiveness in salaries and bonuses; working under flexible regulations, administrative and financial instructions.

Table 1
Weighted Priceindex at Market Value of the Stock Capital of Amman Stock Exchange for the Period (1978-2010)

Year	General index	The growth rate of the stock prices index %
1990	80.4	-13.8
1991	100.0	24.4
1992	129.9	29.9
1993	158.5	22.0
1994	143.6	-9.4
1995	159.2	10.9
1996	153.5	-3.6
1997	169.2	10.2
1998	170.1	0.5
1999	167.4	-1.6
2000	133.1	-20.5
2001	172.7	29.8
2002	170.0	-1.6
2003	261.5	53.8
2004	425.6	62.8
2005	819.2	92.5
2006	551.8	-32.6
2007	751.9	36.3
2008	624.3	-17.0
2009	552.	-11.6
2010	531.8	-3.7

Note: 1. GDP for the base year 1991.

2. Sources: 1 - years (1977-2002) Central Bank of Jordan, a special edition for the fortieth anniversary of the Central Bank founding, 2004. 2 - Years (2003-2010), the Central Bank of Jordan, Monthly Statistical Bulletin.

Continued

Year	Market value	Volume	GDP	Market value growth rate %	Volume / Market value	Market value ratio/ domestic product %
2004	12623.0	3793	20013.3	62.4	30.0	63.1
2005	26667.1	16871.1	22306.7	111.3	63.3	119.5
2006	21078.2	14209.9	7976.9	-21.0	67.4	264.2
2007	29214.2	12348.1	8629.0	38.6	42.3	338.6
2008	25406.3	20318	9253.3	-13.0	80.0	274.6
2009	22526.9	9665.3	9760.0	-11.3	42.9	230.8
2010	21858.2	6690	9985.4	-3.0	30.6	218.9
1978-2010				17.7	21.7	80.2

* Amount in Million JD of trading volume and gross domestic product (GDP).

*** GDP for the base year 1994.

Table 3
The Number of Contracts Executed on the Amman Stock Exchange for the Period 200-2010

Year	Number of executed contracts (in thousands)	Growth rate%	Daily contract average
2000	133.1	-	541
2001	293.2	120.2	1191.5
2002	446.4	52.3	1814.6
2003	783.1	75.4	3183.3
2004	1178.2	50.5	4789.4
2005	2392.5	103.1	9725.5
2006	3442.6	43.9	13994.2
2007	3457.9	0.4	14056.4
2008	3780.9	9.3	15369.4
2009	2964.6	-21.6	12051.1
2010	1880.2	-36.6	7643.0

Source: Annual Report of the Amman Stock Exchange in 2010.

Table 4
Corporate Commitment to Providing the Securities Commission With Annual Reports for the Period (2002-2005)

Sector	2002	2003	2004	2005
Banks	50%	66.7%	76.5%	100%
Insurance	56%	68%	72%	96%
Services	40.3%	67.2%	84.6%	88%
Industry	38.6%	59.2%	65%	84%
Total sectors	42.6%	63.9%	73.8%	88%

Sources: Annual report of the Securities Commission, 2006

Table 5
Trade Volume on the Amman Stock Exchange Categorized by Sector for the Period (2000-2010) /Million Dinars

Year	Financial sector	Services	Industry	Growth in trade rate of the financial sector %	Growth in trade Rate of Industry %	Growth in trade rate of services%
2000	138,597,051	58,156,874	91,042,612			
2001	323,691,265	88,584,016	256,377,393	133.5	181.6	52.3
2002	397,744,122	101,470,613	451,058,259	22.9	75.9	14.5
2003	832,182,588	203,120,441	819,872,983	109.2	81.8	100.2
2004	2,403,764,844	379,944,408	1,009,541,799	188.9	23.1	87.1
2005	13,200,688,924	1,195,920,637	2,474,442,386	449.2	145.1	214.8
2006	11,570,201,564	942,189,854	1,697,479,173	-12.4	-31.4	-21.2
2007	8,779,234,370	1,657,992,661	1,910,874,879	-24.1	12.6	76.0
2008	9,638,936,812	5,422,241,865	5,256,835,871	9.8	175.1	227.0
2009	6,363,773,746	2,030,846,061	1,270,692,520	-34.0	-75.8	-62.5
2010	4,174,112,697	1,744,663,490	771,210,968	-34.4	-39.3	-14.1
Average	66.0	15.8	18.3	73.5	49.9	61.3

Source: 1 - Amman Financial Market newsletters, various issues.

2 - Annual report of the Amman Stock Exchange, different issues.

3 - The central bank, a special issue, Research Department, 2004.

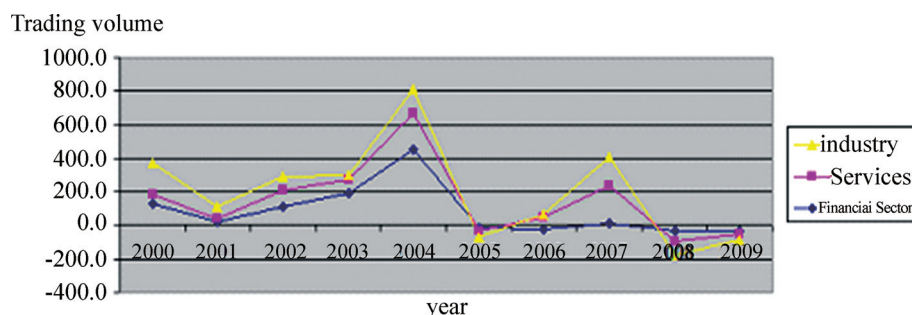


Figure 1
Trading Volume in the Amman Stock Exchange by Sector for the Period (2000-2010)

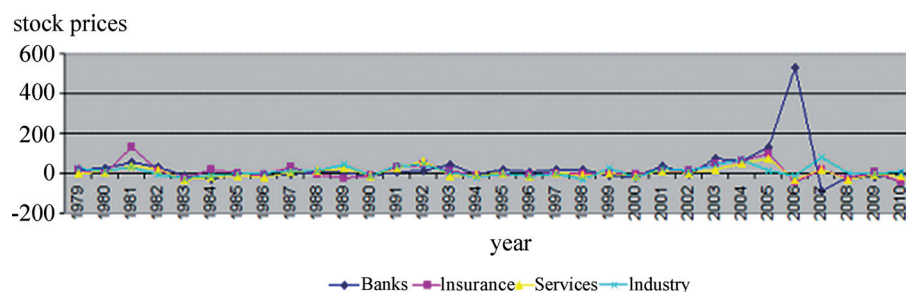


Figure 2
Stock Prices in the Amman Stock Exchange by Sector for the Period (1979-2010)

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