

# **Factors affecting Amman Stock Exchange Performance – Empirical Study**

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## **Abstract**

The main objective of this research is to investigate the impact of the selected macroeconomic variables on ASE performance for the period 1999-2018. These variables include inflation rate (INR), interest rate (IR), economic growth rate (EGR), and foreign investment (FI). The study adopted descriptive analytical approach; also, data analysis includes simple and multiple linear regression. The results of this research showed that there is no statistically significant impact of INR, IR, EGR and FI all together on ASE performance. Individually, the results indicated that there is no statistically significant impact of INR on ASE performance. Also, there is no significant impact of IR and EGR on ASE performance. Regarding FI, the results reflected a significant impact on ASE performance. Additionally, the results concluded that foreign investment has highest impact factor on ASE performance, followed by change in average interest rate, then inflation rate and the least impact attributes to economic growth rate. Finally, the research recommends that Jordanian banks should reduce lending interest rate to enhance investment in securities and improve economic growth rate, also Jordan should encourage foreign direct and indirect investment and exercise more efforts to attract more foreign investment, by either in the form of tax incentives or providing finance to them at low interest rates.

**Key Words:** Inflation, Interest, Growth, Foreign Investment, ASE.