

RESEARCH REPORT

STRATEGY

SEPTEMBER
2020

Q1

Q2

Q3

Q4

| MOROCCO | QUARTERLY AGR Confidence Index

IMPROVING **CONFIDENCE** TOWARD EQUITY MARKET

02 | Work summary - September 2020

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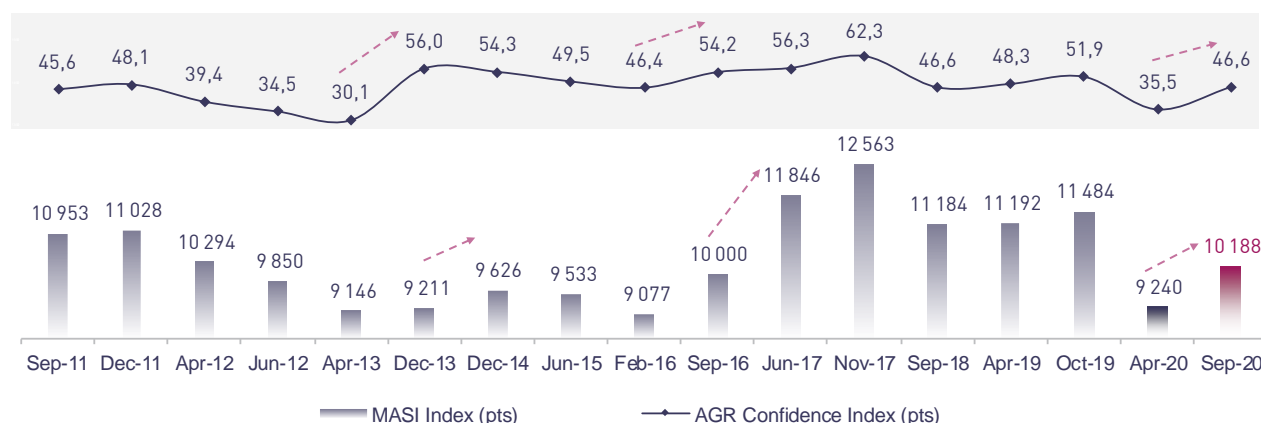
Attijari
Global Research

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WORK SUMMARY - SEPTEMBER 2020

After hitting a low since April 2013, we note a significant improvement in investor confidence toward the Equity market in September 2020. In more details, AGR Confidence Index stood at 46.6 pts, up +11.1 pts in comparison to the previous edition. The graph below clearly illustrates this evolution.

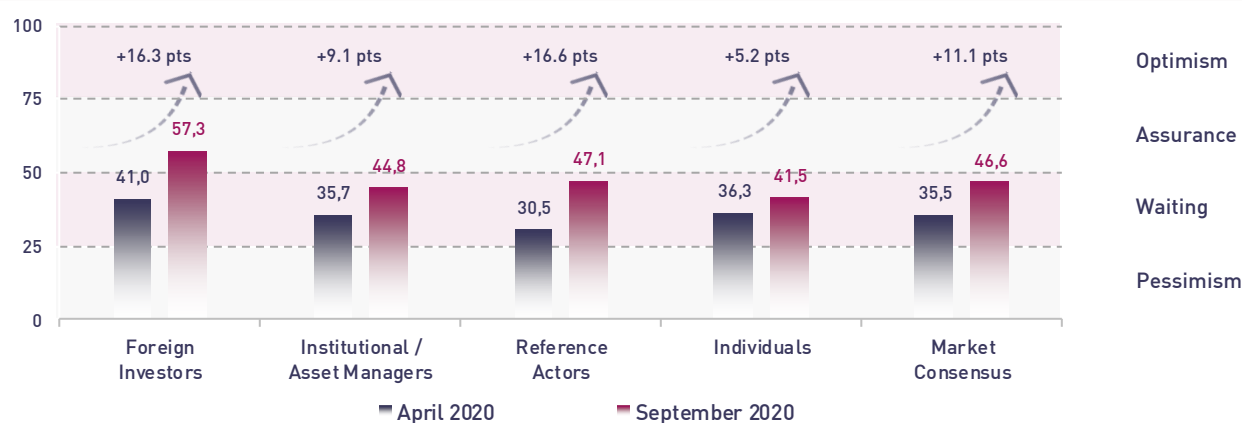
MAROC : AGR CONFIDENCE INDEX Vs. MASI INDEX SINCE SEPTEMBER 2011 (IN PTS)



By analyzing the results by investor category, we note a general upturn in investor confidence:

- The Index related to “**Reference Actors**” posted the strongest increase, i.e. +16.6 pts to 47.1 pts. In parallel, the index related to **Foreigner** investors has improved by +16.3 pts to 57.3 pts. It should be noted that this score went from the “Wait-and-See” phase to the “Assurance” phase;
- The index related to “**domestic Institutional**” investors recorded an increase of +9.1 pts to 44.8 pts;
- Finally, the **Individual** investors index recorded the lowest appreciation, i.e. +5.2 pts to 41.5 pts.

MOROCCO : AGR CONFIDENCE INDEX BY INVESTORS CATEGORY (IN PTS)



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Sources : AGR Survey & Computations

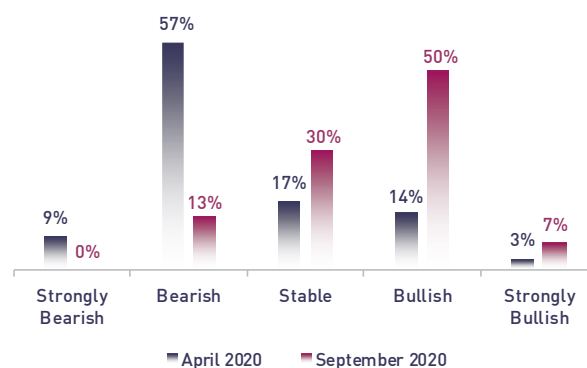
RESULTS' DETAIL - INVESTORS' PERCEPTION FOR Q4-2020

- 33.0% of investors surveyed forecast a recovery of the MASI index over the next three months against 14.0% in the previous edition ;
- 50.0% of investors anticipate an improvement in traded volumes over the next three months against 14.0% previously.

WHAT ARE YOUR OUTLOOK REGARDING THE MASI INDEX EVOLUTION DURING Q4-2020 ?

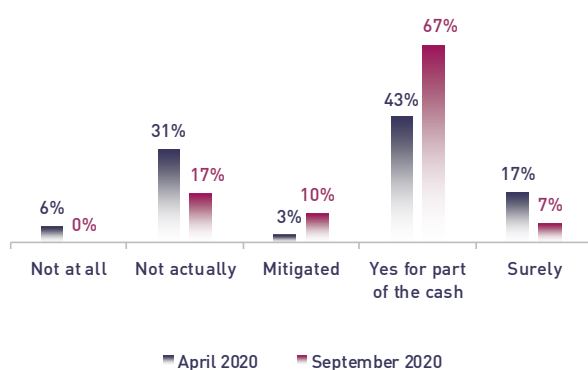


WHAT ARE YOUR OUTLOOK REGARDING VOLUMES ON THE EQUITY MARKET DURING Q4-2020 ?

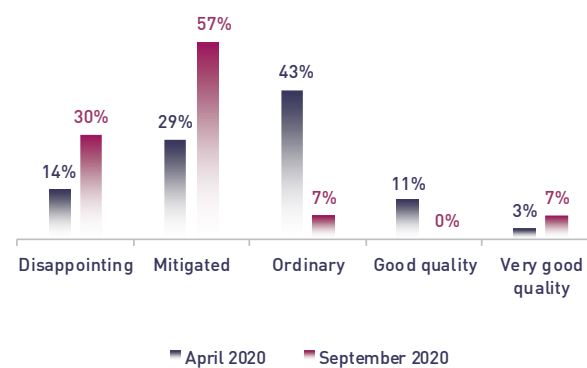


- 67.0% of investors surveyed are willing to allocate a part of their cash to the Equity market against 43.0% previously;
- 57.0% of investors consider that H1-20 achievements of listed companies would be mitigated compared to 29.0% in the previous edition.

WOULD YOU OPT FOR THE EQUITY MARKET FOR AN INVESTMENT WITH A MATURITY ABOVE 5 YEARS ?



WHAT ARE YOUR ESTIMATES REGARDING H1-2020 ACHIEVEMENTS OF THE LISTED COMPANIES ?

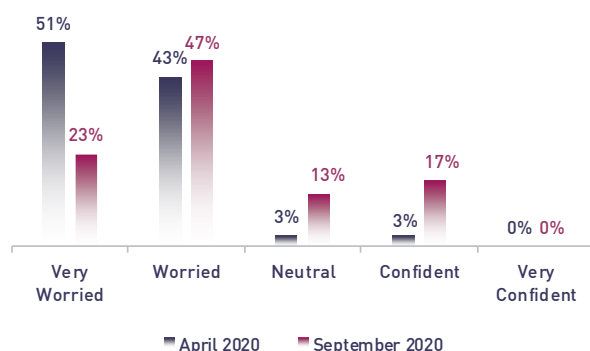


Sources : AGR Survey & Computations

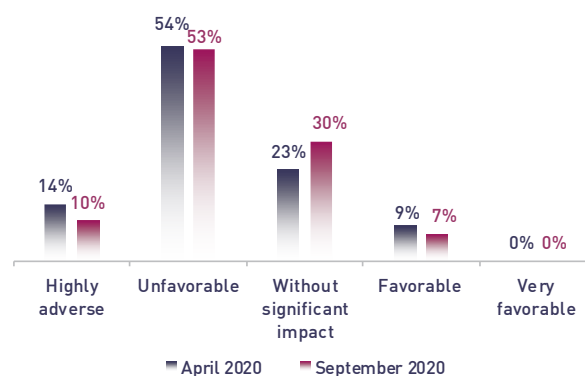
RESULTS' DETAIL - INVESTORS' PERCEPTION FOR Q4-2020

- 23.0% of individuals surveyed are very worried toward the evolution of the general economic climate over the next three months, against 51.0% in the previous edition;
- 53.0% of individuals surveyed anticipate an unfavorable impact of the socio-political context on the Equity market during the next three months compared to 54.0% previously.

WHAT ARE YOUR OUTLOOK OF MOROCCO'S ECONOMIC CLIMATE DURING Q4-2020 ?

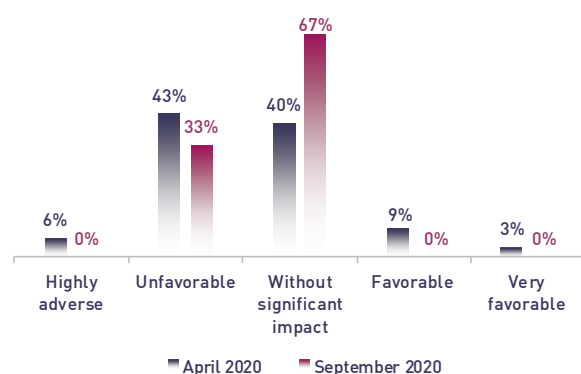


WHAT IS THE IMPACT OF MOROCCO'S SOCIO-POLITICAL CONTEXT ON THE EQUITY MARKET DURING Q4-2020 ?

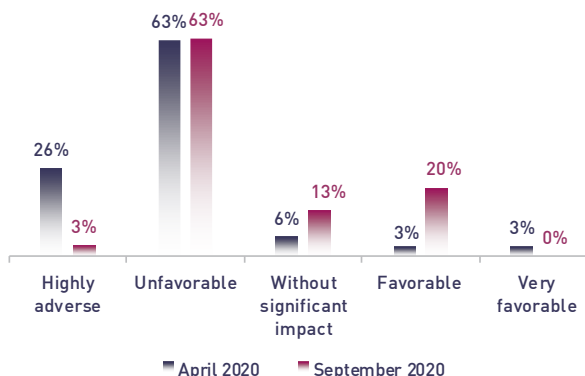


- 67.0% of investors surveyed believe that the geopolitical context will have a neutral impact on the Equity market over the next three months compared to 40.0% previously;
- 63.0% of investors surveyed believe that the international environment will have a neutral impact on the Moroccan Equity market over the next three months.

WHAT IS THE IMPACT OF THE GEOPOLITICAL CONTEXT ON THE EQUITY MARKET DURING Q4-2020 ?



WHAT IS THE IMPACT OF THE INTERNATIONAL CONTEXT ON THE EQUITY MARKET DURING Q4-2020 ?



PRESENTATION OF THE AGR CONFIDENCE INDEX

AGR financial investor confidence index, developed by Attijari Global Research, evaluates the future perception of investors toward the African capital markets: Morocco, Tunisia, WEMUA, CEMAC and Egypt.

This index has a psychological dimension since it ensures the measurement and the monitoring of investors confidence level, supported by a quarterly survey.

INTERPRETATION

AGR Confidence Index is a summary of opinions and evolutions of the feelings of financial investors different profiles. These variations should be seen neither as a sign of recovery / decline of financial markets, nor the economy, but as an improvement or a deterioration in investors' confidence level in the future.

Technically, the index evolves in a closed interval from 0 to 100 points. This interval is subdivided into four zones, each reflecting a different feeling. The evolution of the index allows, on one hand, to point out investors' confidence level with respect to different phases, and on the other hand, to assess its evolution over time.

Interval	Interpretation
[00-25 [Pessimism
[25-50 [Waiting
[50-75 [Assurance
[75-100]	Optimism

METHODOLOGY

The computation of AGR financial investor confidence index is based on responses from a survey sent to the most representative actors of the financial market. The proposed responses to surveyed individuals are divided into five choices ranging from "very pessimistic" to "very optimistic". The questions asked are divided into five main categories, namely: Equity Market, Economy, Politics, Geopolitics and International.

Our investors sample includes a minimum of 34 participants, representing four major categories: **(1)** Institutional/UCITS, **(2)** Reference Actors, **(3)** Private Individuals and **(4)** Foreign investors. Each category has a different weighting depending on several criteria: its intervention level, influence on the market and our own assessment. The category of "Reference Actors" includes investors with a deep knowledge of the equity market allowing them to transcribe faithfully investors sentiment.

In the case of Morocco, the weightings used to compute the financial investor confidence index are as follows:

Institutional & UCITS	Reference Actors	Foreigners	Individuals
50%	20%	15%	15%

FREQUENCY OF PUBLICATIONS

The release dates of AGR Confidence Index were selected in key periods during which the volatility of the market is characterized by significant fluctuations. Indeed, the selected dates are just prior to the publication of companies mid term and annual achievements as well as key macro-economic figures. Therefore, we chose a quarterly publication.

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