

RESEARCH REPORT

STRATEGY

MAY
2022

Q1

Q2 | MOROCCO | QUARTERLY AGR Confidence Index

Q3

Q4

PREDICTABLE DROP IN CONFIDENCE IN A TENSE INTERNATIONAL CONTEXT

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Attijari
Global Research

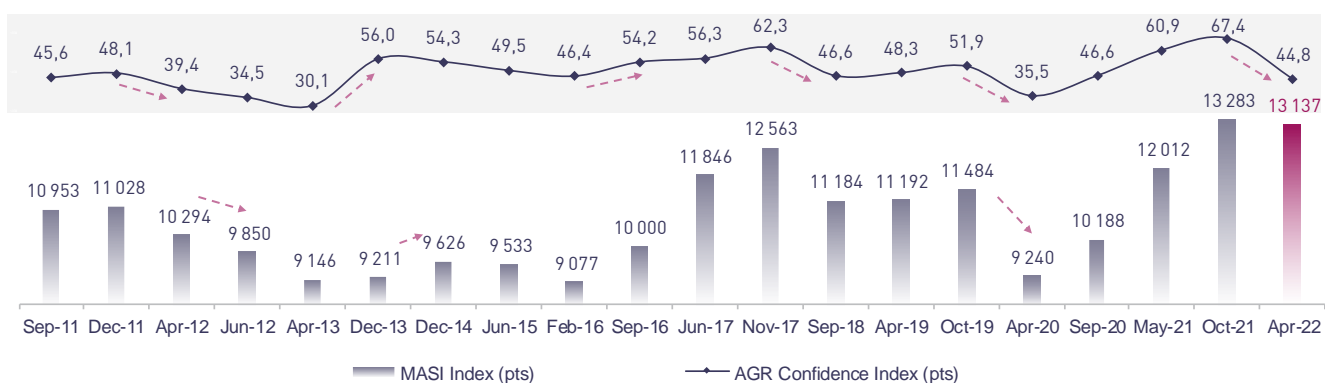
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WORK SUMMARY - APRIL 2022

In a tense geopolitical context, we noted an expected decline in investor confidence level toward the Equity market. Indeed, after reaching a historical high level of 67.4 pts in October 2021, the AGR Confidence Index recorded a significant decrease of -22.6 pts at the end of April 2022 to stand at 44.8 pts.

In the end, the AGR Confidence Index puts an end to a series of successive increases observed post the Covid-19 shock, i.e. since April 2020.

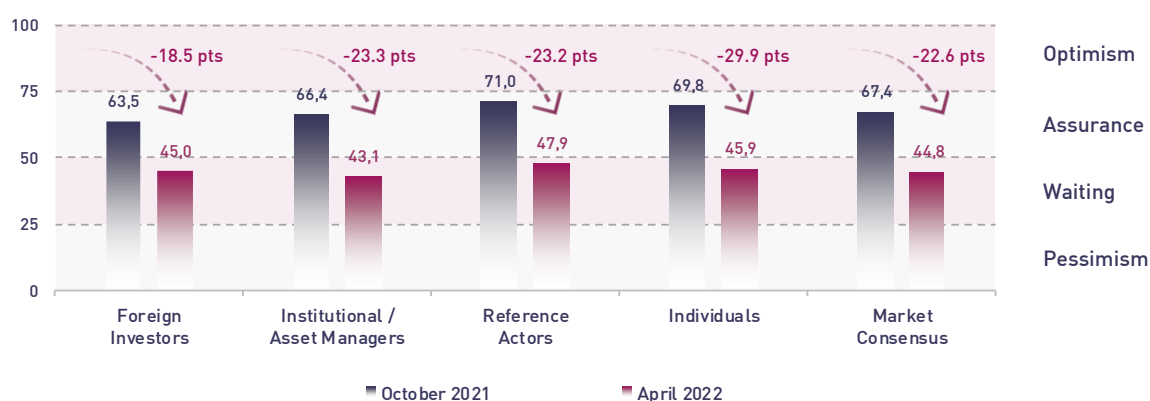
MAROC : AGR CONFIDENCE INDEX Vs. MASI INDEX SINCE SEPTEMBER 2011 (IN PTS)



At the end of this 20th edition, the investors' perception toward the Equity market over the coming 3 months has shifted from the "Assurance" phase to the "Wait and See" phase. Upon the analysis of the results by investor category, we note a general drop in the obtained scores, i.e. below the threshold 50 pts. In more details:

- The Index related to **individual** investors posted the strongest decrease, i.e. -29.9 pts to 45.9 pts;
- The index related to "**domestic institutional**" investors declined by -23.3 pts to 43.1 pts;
- The index related to "**Reference Actors**" investors recorded a drop of -23.2 pts to 47.9 pts;
- Finally, the **foreign** investors index fell by -18.5 pts to 45.0 pts.

MOROCCO : AGR CONFIDENCE INDEX BY INVESTORS' CATEGORIES (IN PTS)



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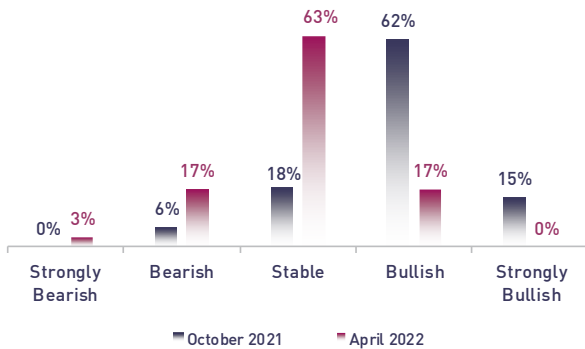
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Sources : AGR Survey & Computations

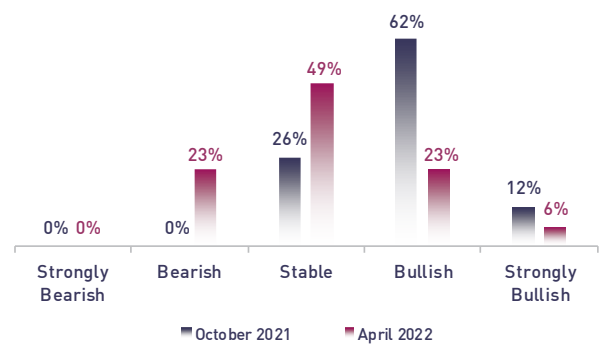
RESULTS' DETAIL - INVESTORS' PERCEPTION FOR THE NEXT 3 MONTHS

- 17.0% of investors surveyed forecast an increase of the MASI index over the next three months against 62.0% in the previous edition ;
- 49.0% of investors anticipate a stability in traded volumes over the next three months against 26.0% previously.

WHAT ARE YOUR OUTLOOK REGARDING THE MASI INDEX EVOLUTION FOR THE NEXT 3 MONTHS ?

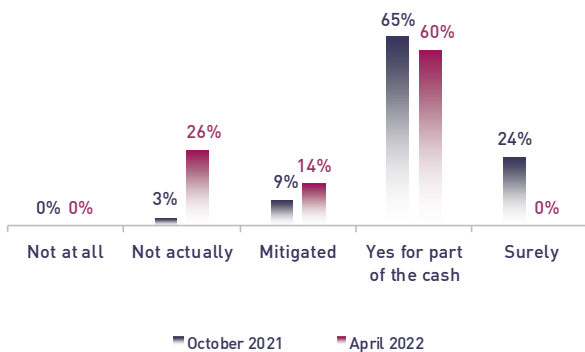


WHAT ARE YOUR OUTLOOK REGARDING VOLUMES ON THE EQUITY MARKET FOR THE NEXT 3 MONTHS ?

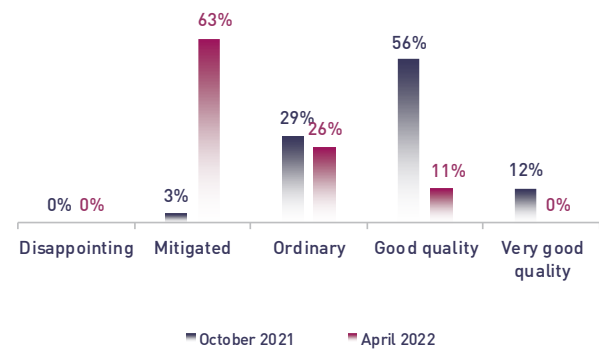


- 60.0% of investors surveyed are willing to allocate a portion of their cash to the Equity market against 65.0% previously;
- 63.0% of investors anticipate mitigated H1 2021 achievements of listed companies compared to only 3.0% in the previous edition.

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



WHAT ARE YOUR ESTIMATES REGARDING 2021 ANNUAL ACHIEVEMENTS OF THE LISTED COMPANIES ?

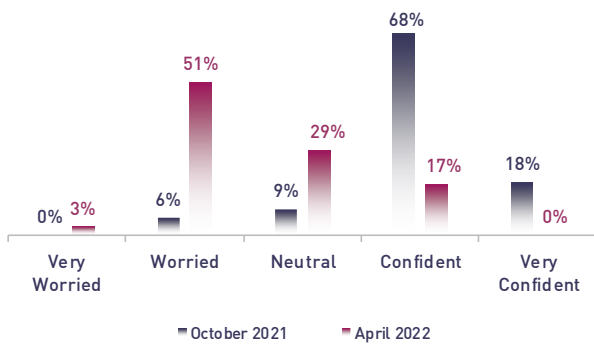


Sources : AGR Survey & Computations

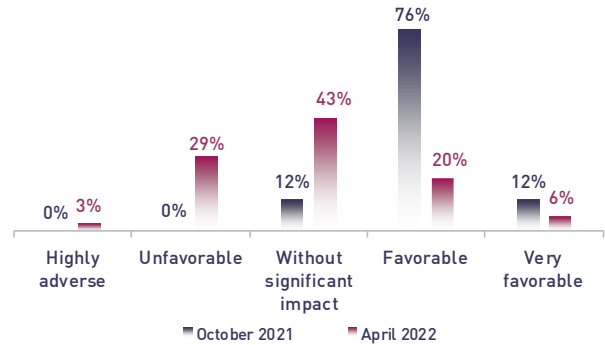
RESULTS' DETAIL - INVESTORS' PERCEPTION FOR THE NEXT 3 MONTHS

- 51.0% of individuals surveyed are worried toward the evolution of the general economic climate over the next three months, against 6.0% in the previous edition;
- 43.0% of individuals surveyed forecast a neutral impact of the socio-political context on the Equity market during the next three months compared to 12.0% previously.

WHAT IS YOUR OUTLOOK OF MOROCCO'S ECONOMIC CLIMATE FOR THE NEXT 3 MONTHS ?

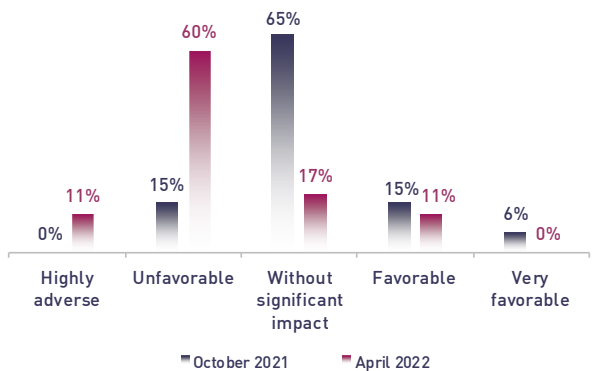


WHAT IS THE IMPACT OF MOROCCO'S SOCIO-POLITICAL CONTEXT ON THE EQUITY MARKET FOR THE NEXT 3 MONTHS ?

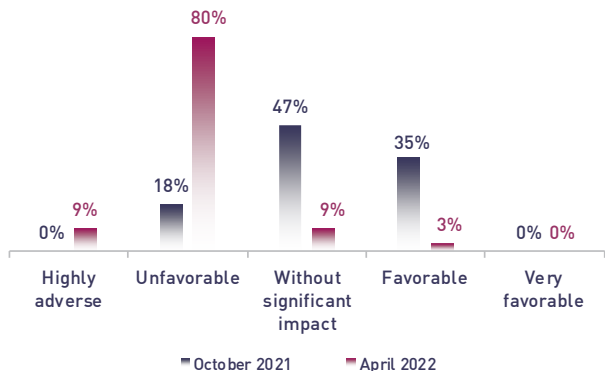


- 60.0% of investors surveyed believe that the geopolitical context will have an unfavorable impact on the Equity market over the next three months compared to 15.0% previously;
- 80.0% of individuals surveyed believed that the international context will have a unfavorable impact on the Equity market during the next three months compared to 18.0% in the previous edition.

WHAT IS THE IMPACT OF THE GEOPOLITICAL CONTEXT ON THE EQUITY MARKET FOR THE NEXT 3 MONTHS ?



WHAT IS THE IMPACT OF THE INTERNATIONAL CONTEXT ON THE EQUITY MARKET FOR THE NEXT 3 MONTHS ?



Sources : AGR Survey & Computations

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, WAEMU, 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 35 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	Foreign investors	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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