

DASHBOARD : MARKET OVERVIEW

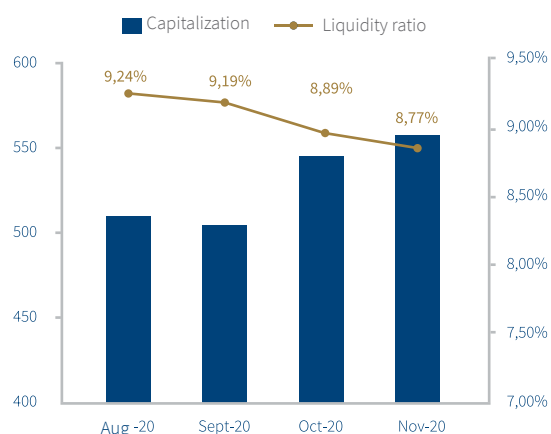
STOCK MARKET INDICATOR

Key stock market indicators

	NOVEMBER 2019	NOVEMBER 2020	VARIATION
MASI	11 822,32	10 990,85	-7,03%
Capitalization	608,91	566,27	-7%
Volume of the central market (annual total)	25,57	28,04	9,66%
Volume of the block market (annual total)	15,71	4,67	-70,27%
Liquidity ratio	9,55 %	8,77 %	

Source : Casablanca Stock Exchange

Changes in market capitalization and liquidity ratio (august-November 2020)



Source : Casablanca Stock Exchange

INVESTOR PROFILE

The third quarter of the year 2020 was marked by a prevalence of UCITS with a relative share of 35% of the transactional volume of shares on the central market. This category is significantly ahead of foreign legal entities, which account for 23% of the shares. In equal parts, Moroccan natural persons and legal entities accounted for 19%.

In terms of growth, the share of Moroccan natural persons increased by 10 points, from 9% in Q3-2019 to 19% in Q3-2020. The share of foreign legal entities increased by 5 percentage points (from 18% to 23%), while mutual funds declined by 10 percentage points year-on-year, from 45% in Q3-2019 to 35% in Q3-2020.

Indicators of the Casablanca Stock Exchange rose during the two months of October and November 2020. Thus, the MASI and the MADEX stood respectively at 10 990.85 and 8 949.94 points, i.e. an increase of 10.04% and 10.27% compared to the end of September 2020. Their respective annual underperformance is down by -9.7% and -9.77%.

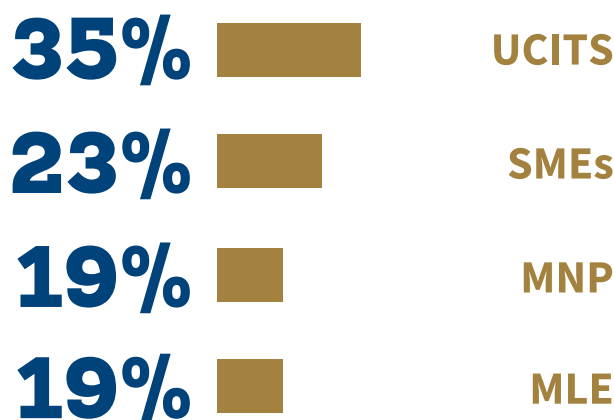
For its part, market capitalization stood at MAD 566.27 billion at the end of November 2020, i.e. its highest level since the beginning of the covid-19 health crisis. It has thus reduced its annual underperformance to -9.64% instead of -19.73% at the end of March 2020.

In terms of volume on the central and block markets, the Casablanca Stock Exchange recorded during the first eleven months of the year 2020, a transactional volume nearing MAD 33 billion, down by 21% compared to the same period of the previous year, i.e. MAD 8.6 billion. Worthy of mention that 2019 had recorded an exceptional volume of nearly MAD 9 billion relating to the sale of 8% of the capital of Itissalat AL-MAGHRIB.

On the central market, the average daily trading volume increased by 8.25% from MAD 114 million to MAD 124 million.

Furthermore, the liquidity ratio recorded a slight decline to 8.77% for November 2020, compared with 9.55% a year earlier.

The liquidity ratio is a moving average of the undoubled monthly volume of the central and block markets, relative to month-end capitalization, calculated on a year-on-year basis.



Source : Brokerage Firms

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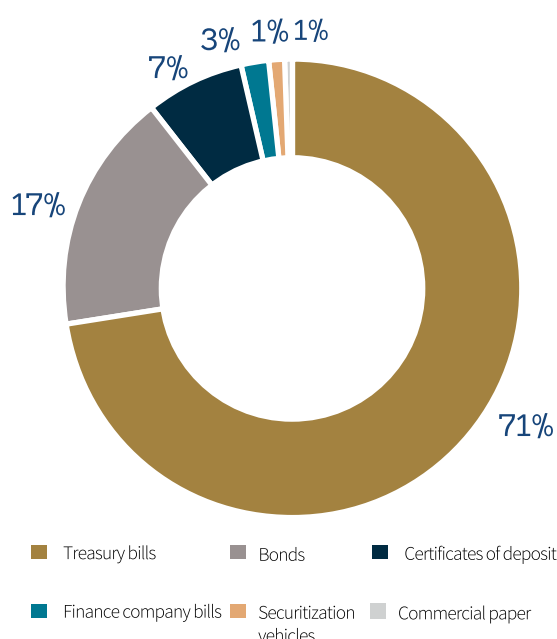
DEBT MARKET

Outstanding bonds and negotiable debt securities (In MAD millions)

	Treasury bills	Finance company bills	Certificates of deposit	Commercial paper	Bonds	Securitization vehicles
Outstanding as of Q2 2020	597 159	25 045	60 563	2 330	143 174	10 081
Raised	29 649	2 020	8 148	863	9 800	431
Reimbursement	24 739	1 420	7 744	839	5 384	-
Position as of Q3-2020	602 069	25 645	60 967	2 354	147 590	10 512

Source : Maroclear

Breakdown of outstanding bonds and negotiable debt securities



Source : Maroclear

71%

Treasury bills continue to dominate the debt market, accounting for 71% of the total outstanding amount. In the sovereign debt segment, the Treasury raised MAD 29.7 billion during the third quarter of 2020, up 8.1% since the beginning of the year. Issues stood at 50% on short maturities, 40% on medium maturities and 10% on long term, with rates ranging between 1.44% and 4%.

As for the bond market, issues reached MAD 9.8 billion bringing their outstanding amount to MAD 147.6 billion at the end of September 2020, up 6.4% since the beginning of the year.

On the debt securities market, issues amounted to MAD 11.03 billion, 74% of which was raised by banks.

With a transaction volume of MAD 58.6 billion, securities lending activities dropped by nearly 26.2% compared to the same period in 2019 and by 23.2% compared to Q2-2020.

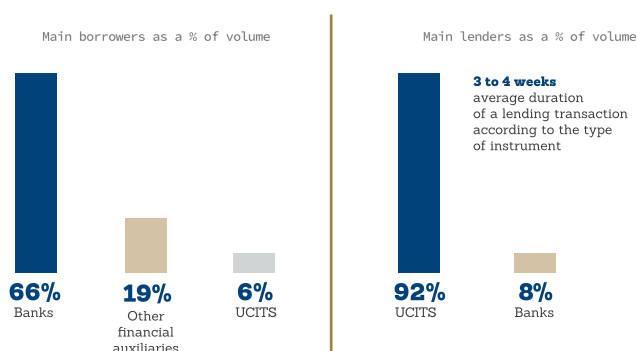
Securities lending operations continue to be dominated by Treasury bills, accounting for 92% of the total volume. Certificates of deposit and other negotiable debt securities (Treasury bills, Finance company bills) were the subject of lending transactions with a respective share of 7% and 1%. Bonds and shares were not subject to securities lending during Q3 2020.

Borrowers continued to be mainly represented by banks and non-financial companies, accounting for 66% and 19% of the total volume traded, respectively.

As for lenders, they are represented by mutual funds with 92% of the processed transaction volume, followed by banks accounting for 8%.

SECURITIES LENDING

Breakdown of lending/borrowing transactions as a % of volume



Source : Account keepers

MARKET INTERMEDIATION

Breakdown of orders by origin under Q3 2020

CENTRAL MARKET - EQUITIES			
Origin of the order	Number	Share	Change*
Online trading	82 538	73,49%	100,68%
Routing	3 476	3,09%	-86,70%
Trading station	2 019	1,80%	-51,08%
OMS	16 884	21,62%	2,18%
TOTAL	104 917	100%	18,03%

Source : Casablanca Stock Exchange
(*): Change compared to the same period the previous year

TYPOLOGY OF STOCK EXCHANGE ORDERS

The Casablanca Stock Exchange listing mechanism offers its users a wide typology of stock exchange orders. In this way, brokerage firms can choose the parameters that best meet the objective set by their clients (speed of execution, targeting a minimum size of execution, avoidance of partial execution, etc.). The choice of an order type can have an impact on the terms of its execution, hence the interest to understand how it works in order to anticipate the possible consequences. These parameters will mainly affect the value, the quantity and the validity of the order as the following types of orders can illustrate (non-exhaustive list).

The «limit order» is the simplest, whereby buyers set the maximum price they are willing to pay and sellers set the minimum price at which they agree to sell their securities. Its main advantage is the control of the execution price. If the transaction is completed, the buyer and seller are assured that the execution price cannot exceed the price of the order (purchase), nor be lower than the price of the order (sale). Its main disadvantage is that it has a lower

level of priority compared to orders without price indication, and can potentially stay longer in the queue.

The «market order» has no price indication. It is intended to be executed at the different prices on the order book until its quantity is exhausted. It has priority over the limit order. In the event of non-execution or partial execution, the order, or its remainder, is eliminated. Its main advantage is the speed of execution because the order adjusts to all price levels present on the market sheet at the time of its introduction. On the other hand, the order is riskier because it can potentially be executed at the maximum (buy) or minimum (sell) price of the session.

The order may also have an execution condition that targets quantities. In this case, there is the «minimum quantity order» with a minimum execution quantity. When the order is entered into the trading system, if the specified minimum quantity is immediately and fully executed, the remainder of the order, if any, remains on the market. If the minimum quantity is not executed, the entire order is eliminated; or «The executed or eliminated order» intended to be totally executed or eliminated at the time of its introduction.

Finally, it should be noted that the orders have a validity that determines their time of presence in the order book awaiting execution. Thus, the order can have a «day» validity period, up to a determined «date» or of 30 calendar days «revocation». Validity can also target specific phases in the trading cycles. This is the case, for example, of orders with a validity period «at the closing price», intended to participate only in the trading phase at the last price of the session during which it is transmitted; or with a validity period «at the opening», intended to participate only in the opening price fixing of the session during which it is introduced. Once the deadline has been reached, the order or its remainder (in case of partial execution) is eliminated from the system.

Client structure of brokerage companies

Type/number	Q3-2019	Q3-2020
MNP	7 791	6 176
UCITS	1 004	896
MLE	535	381
FLE	176	140
FNP	140	111
TOTAL	9 646	7 704

Source : Brokerage companies

MNP : Moroccan natural persons
UCITS : Undertakings for the Collective Investment in Transferable Securities
MLE : Moroccan legal entities
FLE : Foreign legal entities
FNP : Foreign natural persons

Structure of securities accounts opened with account keepers

Nombre comptes titres	Q3-2019	Q3-2020
RNP	138 050	121 621
RLE	8 713	11 789
NRNP	13 669	11 713
NRLE	563	530
TOTAL	160 995	145 653

Source : Account keepers

RNP : Resident natural persons
RLE : Resident legal entities
NRNP : Non-Resident natural persons
NRLE : Non-Resident Legal Entities

DASHBOARD : MARKET OVERVIEW

COLLECTIVE MANAGEMENT

UCITS key figures

	Q3 2019		Q3 2020		Change (%)	
	Number	Amount*	Number	Amount*	Number	Amount*
UCITS	470	453 910	492	497 428	22%	9,59%
FPCTs	33	9 462	35	9 548	2%	-4,01%
OPCCs	6	878	8	1 050	2%	19,59%
OPCIs	-	-	4	3 550	-	-

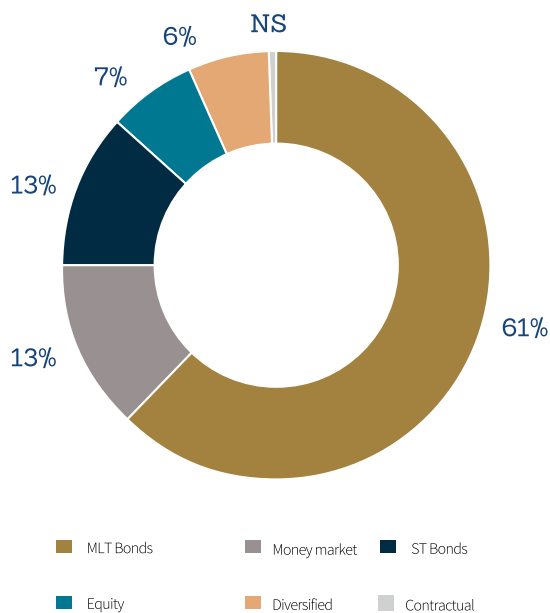
*Net assets (in MAD millions)

Source : Asset management companies

44%

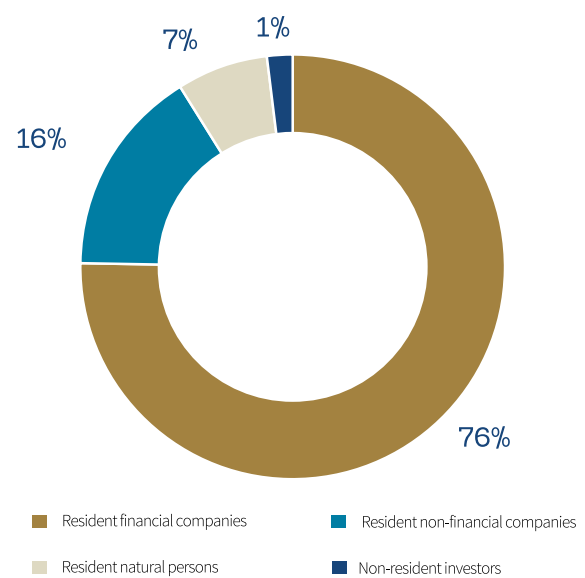
Outstanding UCIs as at end-September 2020/ GDP 2019

Breakdown of net assets of UCITS by category as of 25-09-2020



Source : Asset management companies

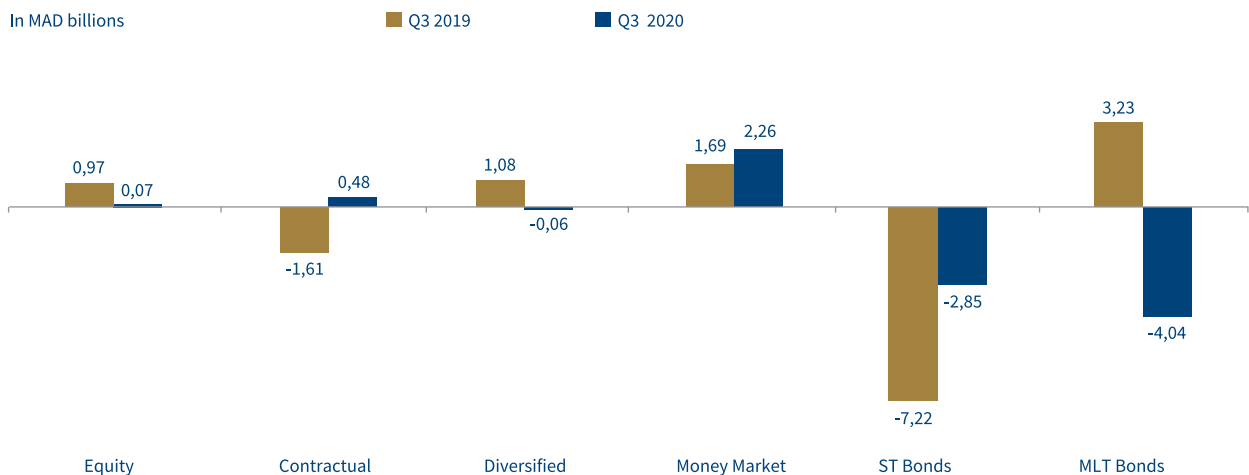
UCITS investors as of 25-09-2020 (as % of net assets)



Source : Asset management companies

Net subscriptions by UCITS type

In MAD billions



Source : Asset management companies

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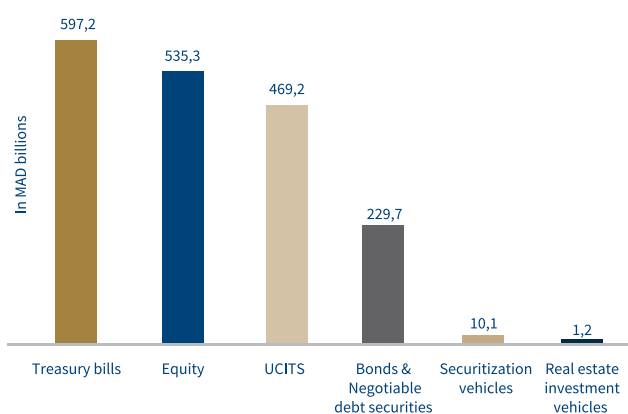
At the end of September 2020, the net assets of UCITS amounted to MAD 497.4 billion, up 9.59% year-on-year and 5.7% since the beginning of the year. The «money market», «ST bond» and «MLT bond» UCITS recorded a respective annual performances of 1.68%, 2.30% and 3.42%. However, the «equity» and «diversified» mutual funds recorded a negative performance of 13.59% and 2.59% respectively.

During the third quarter of 2020, investors moved into a stronger selling position. Subscriptions in UCITS amounted to MAD 229.5 billion and redemptions amounted to MAD 233.7 billion, i.e. a net outflow of MAD 4.12 billion.

In terms of net position, bond UCITS recorded the highest outflows with redemptions exceeding subscriptions by MAD 4 billion for «MLT bond» UCITS and by MAD 2.9 billion for «ST bond» UCITS. In reverse, «money market» UCITS recorded a net inflow of about MAD 2.3 billion.

POST-TRADE INDICATORS

MAROCLEAR Outstanding



Source : MAROCLEAR

MAD 1,842 billion

The capitalization of securities held by Maroclear at the end of June 2020 amounted to MAD 1,842 billion against MAD 1,804 billion year-on-year, representing a 2.11% increase. This growth is due to the 7% increase in the outstanding amount of Treasury bills, which rose from MAD 558.2 billion at the end of June 2019 to MAD 597.2 billion at the end of June 2020 and to the 6.5% increase in the outstanding amount of UCITS which reached MAD 469.2 billion at the end of June 2020.

Unsettled flows

Statistics on flows settled by sector during the first half of 2020:

Sector	Average daily number	Average daily volume (in MAD millions)
Stock Exchange	2 278	844
Over the counter	653	68 639
Free of charge: Issued on a cashless basis	153	-
TOTAL	3 084	69 483

Source : MAROCLEAR

Securities Transactions (ST)

The number of STs executed by MAROCLEAR in the first half of 2020:

Nature of STs	Number
payment of rights/coupons	450
Other transactions	3

Source : MAROCLEAR

THE STOCK EXCHANGE PERFORMANCE GUARANTEE SYSTEM, A PIVOTAL ROLE IN THE PROCESS OF SETTLING STOCK EXCHANGE TRANSACTIONS

The guarantee mechanism for the successful performance of stock exchange transactions is an important component of the Casablanca Stock Exchange settlement and delivery system (S/D). It is part of a set of processes combined to ensure a smooth and secure settlement of transactions. The entire system is governed by a series of operating principles, in particular simultaneous delivery against settlement and a normalized settlement time of D-day +3 (D-day being the transaction date).

According to a precisely controlled schedule (phases, deadlines, trading platforms, etc.), the funds required for the S/D are activated as soon as a transaction is recorded in the Exchange's trading system. The central depository (Maroclear) ensures the management and administration of the S/D system, which is structured around two main phases:

1. the adjustment of the transaction notices which consists in validating the movements of S/D linking the brokerage companies and their ordering custodians;
2. the settlement phase which consists in impacting the accounts following the execution of S/D transactions, both on the securities side (accounts of affiliates opened at Maroclear) and on the cash side (via the SRBM payment system managed by Bank Al-Maghrib).

It should be emphasized that, in this settlement scheme, brokerage firms play a pivotal role and are responsible for the successful completion of the transactions they initiate on the central market of the Stock Exchange. As such, they are liable towards their counterparty, for securities and cash until the effective settlement of the transactions carried out through them.

In order to streamline the S/D process and limit defaults, the Casablanca Stock Exchange relies on a performance guarantee system for brokerage firms. The principle is that in case of default of a counterparty, the Casablanca Stock Exchange bears the responsibility for the resolution of the pending transaction without prejudice to the victim party. In practice, the mechanism relies on two main pillars.

I. The first is to manage the hedging of default risk, i.e. the potential additional cost of the liquidation by the Stock Exchange of a pending transaction resulting from an unfavorable change in market prices. To this end, the Casablanca Stock Exchange activates a system of margin calls (the regular contribution), coupled with a guarantee fund (the initial contribution); both of which are funded by brokerage firms. Margin calls are issued on a daily basis. At the end of each trading session, the Stock Exchange evaluates the amount of the trading risk of each brokerage firm by valuing its transactions awaiting settlement on the basis of the market reference price:

- if the risk is positive, a margin call of the amount of the risk is paid by the concerned brokerage firm to a dedicated account of the Casablanca Stock Exchange opened at Bank Al-Maghrib;
- if the risk is nil, the Stock Exchange proceeds to the return of the called amounts, if need be. [\[Margin call mechanism\]](#).

The initial contribution is a fund credited by brokerage firms which aims at covering the liquidation risk, i.e. the potential additional cost resulting from the liquidation by the Stock Exchange of all the transactions of a brokerage firm declared in structural default. The share of each brokerage firm is fixed with reference in particular to its historical transaction volume and updated every six months. The coverage can be made through a cash contribution or take (exceptionally with the prior agreement of the Stock Exchange) the form of a bank guarantee that can be used on first request [\[methods of calculation of the initial contribution\]](#).

II. The second pillar relates to the intervention mechanism of the Stock Exchange to resolve a transaction that has remained pending. If, at the end of a so-called 'recycling' period, a pending transaction is not settled by the counterparties at the origin of the transaction, the Stock Exchange triggers a redemption procedure (in case of securities pending) or resale (in case of cash pending) of securities and proceeds to the settlement of the transaction in the place of the defaulting brokerage company.

Finally, it is advisable to specify that any pending transaction generates penalties borne by the brokerage company at the origin of the default and a compensation paid to the brokerage company victim of the pending transaction.

I.e. an unfavorable change in the share price that generates a potential additional cost for the Stock Exchange if it were to liquidate a default in securities or cash through a redemption/resale procedure.

DASHBOARD : MARKET OVERVIEW

PUBLIC OFFERING

List of financial transactions approved by the AMMC between June 1, 2020 and December 25, 2020.

Transaction type	Contractual	Amount (in MAD millions)	Comment
IPO	Aradei Capital (23/11/2020)	600	IPO through a capital increase reserved for the public by issuing 1,250,000 new shares, with cancellation of shareholders' preferential subscription rights and the sale of 250,000 shares.
Capital Increase	Bank of Africa Groupe BMCE (29/07/2020)	999,10	Issuance of ordinary shares as part of a share capital increase through the total or partial optional conversion of dividends for the 2019 financial year.
	SALAFIN (12/08/2020)	129,58	Issuance of ordinary shares as part of a share capital increase through the total or partial optional conversion of dividends for the 2019 financial year.
	ATLANTASANAD (10/09/2020)	8,26	Capital increase of the insurance and reinsurance company Atlanta by merger-absorption of Sanad.
	Attijariwafa Bank	1 416	Capital increase through the optional conversion of sums distributed on an exceptional basis.
Public take-over bid	S2M (18/09/2020)	42,31	Mandatory public take-over bid for S2M shares, at the initiative of the members of the concerted action represented by MEDTECH ET MILLENNIUM VENTURES.
Share buyback program	ADDOHA (17/08/2020)	48,31	Share buyback program
Bond issue	Attijariwafa Bank (10/06/2020)	1 000	Issuance of perpetual subordinated bonds with a loss absorption and coupon cancellation mechanism for a total amount of MAD 1 billion.
	Attijariwafa Bank (10/06/2020)	500	Issuance of subordinated bonds for a total amount of MAD 500 million.
	Jet Contractors (04/08/2020)	200	Issuance of an ordinary bond for a maximum amount of MAD 200 million.
	Crédit Agricole du Maroc (26/11/2020)	200	Issuance of perpetual subordinated bonds with a loss absorption and coupon cancellation mechanism for a total amount of MAD 200 million.
	Fonds d'Equipement Communal (FEC) (04/12/2020)	2 000	Bond issue in the amount of MAD 2 billion.
	Attijariwafa Bank (10/12/2020)	500	Issuance of subordinated bonds for a total amount of MAD 500 million.
	Attijariwafa Bank (10/12/2020)	500	Issuance of perpetual subordinated bonds with a loss absorption and coupon cancellation mechanism for a total amount of MAD 500 million.
	Banque Centrale Populaire (BCP) (17/12/2020)	1 500	Issuance of subordinated bonds for a total amount of MAD 1.5 billion.

DASHBOARD : *MARKET OVERVIEW*

Transaction type	Contractual	Amount (in MAD millions)	Comment
State-guaranteed bond issue	Autoroutes du Maroc (ADM) (24/07/2020)	2 200	State-guaranteed bond issue
	Office National des Chemins de Fer (ONCF) (04/12/2020)	2 000	Bond issue guaranteed by the State through the Public Establishment and Enterprise Guarantee Fund (Fonds de Garantie des Établissements et Entreprises Public- FGEEP) managed by the Central Guarantee Fund (Caisse Centrale de Garantie - CCG).
Annual update of the commercial paper program	ARADEI CAPITAL (03/07/2020)	-	Annual update of the information pack relating to Aradei Capital S.A.'s commercial paper issuance program with an issue ceiling of MAD 500 million.
	Jet Contractors (07/07/2020)	-	Annual update of the information package relating to Jet Contractors' commercial paper program with a ceiling of MAD 200 million.
	LABEL VIE S.A. (04/09/2020)	-	Annual update of the information package relating to the commercial paper issuance program of LABEL VIE S.A with a ceiling of MAD 800 million.
Annual up-date of the certificates of deposit issuance program	BMCE Bank of Africa (16/01/2020)	-	Annual update of the information package relating to the certificates of deposit program. The ceiling of the program is MAD 15 billion.
	ATTIJARIWafa BANK (09/07/2020)	-	Annual update of the information package relating to the certificates of deposit program. The ceiling of the program is MAD 20 billion.
	FEC (10/07/2020)	-	Annual update of the information package relating to the certificates of deposit program. The ceiling of the program is MAD 7 billion.
	CFG BANK (28/07/2020)	-	Annual update of the information package relating to the certificates of deposit program. The ceiling of the program is MAD 5 billion.
	BMCI (28/07/2020)	-	Annual update of the information package relating to the certificates of deposit program. The ceiling of the program is MAD 12 billion.
	CIH Bank (29/07/2020)	-	Annual update of the information package relating to the certificates of deposit program. The ceiling of the program is MAD 10 billion.
	Banque Centrale Populaire (BCP) (31/08/2020)	-	Annual update of the information package relating to the certificates of deposit program. The ceiling of the program is MAD 12 billion.
	CDG CAPITAL (24/09/2020)	-	Annual and occasional update of the information package for the certificates of deposit program. Raising the ceiling from MAD 1.5 billion to MAD 2.5 billion.
	Crédit Agricole du Maroc (CAM) (05/11/2020)	-	Annual and occasional update of the information package for the certificates of deposit program. Raising the ceiling from MAD 8 billion to MAD 10 billion.

DASHBOARD : *MARKET OVERVIEW*

Transaction type	Contractual	Amount (in MAD millions)	Comment
Annual Update of the Finance Companies' Bills Issuance Program	SOFAC (12/08/2020)	-	Annual and occasional update of the information package relating to the Finance Companies' Bond issue program. Raising of the ceiling from MAD 3 billion to MAD 3.7 billion.
	RCI FINANCE MAROC (25/08/2020)	-	Annual and occasional update of the information package relating to the Finance Companies' Bond issue program. Raising of the ceiling from MAD 2.5 billion to MAD 3.5 billion.
	Eqdom (30/11/2020)	-	Annual and occasional update of the information package relating to the Finance Companies' Bond issue program. Raising of the ceiling from MAD 5.1 billion to MAD 7 billion.
Transactions reserved for employees of foreign groups	VINCI (France) (05/06/2020)	25,43	Capital increase and/or sale of shares reserved for employees of VINCI S.A.'s foreign subsidiaries who are members of the VINCI Group's International Group Employee Savings and Shareholding Plan (Plan d'Epargne d'Actionnariat International du Groupe VINCI). Companies concerned in Morocco: Freyssima Maroc, Cegelec SA Maroc, Dumez Maroc, Sogea Maroc, SOLSIF Maroc SA, EXPROM Facilities, VIGIPROM SARL, Sixense Maroc and Asolutions Service.
	SANOFI (11/06/2020)	6,52	Capital increase in cash through the issue of Sanofi shares reserved for employees who are members of the Sanofi Group Savings Plan. Company concerned in Morocco: SANOFI-AVENTIS Maroc.
	AXA (France) (07/10/2020)	44,46	Capital increase in cash through the issuance of AXA SA shares reserved for employees of the Group who are members of the Group Employee Savings Plan (Plan d'Epargne d'Entreprise de Groupe - PEEG) and the International Group Shareholding Plan (Plan International d'Action-nariat de Groupe - PIAG). Companies concerned in Morocco: Axa Assurance Maroc, Axa Assistance Maroc, Axa Assistance Ma-roc Services, Institut de formation et de develop-pement professionnel AXA, Axa Crédit, Carré As-surance Maroc, Société de Gestion et de Surveil-lance (SGS), Subsidiaries : Axa France IARD Branch, Axa France Vie Branch Avanssur Branch and AXA Group Opérations Morocco.
	NEXANS(France) (04/09/2020) (16/10/2020)	7,97	Capital increase in cash through the issue of NEXANS shares reserved for Group Employees who are members of the Group Savings Plan (PEGF) and the NEXANS International Group Savings Plan (PEGI). Companies concerned in Morocco: NEXANS Maroc, SIRMEL, Tourets, Embal-lages du Maroc and NEXANS Interface Maroc.
	Veolia environnement (04/09/2020) (05/11/2020)	62,38	Capital increase in cash through the issue of shares reserved for employees participating in the Company Savings Plan and the International Group Savings Plan. Companies concerned in Morocco: Veolia service à l'environnement Maroc, Veolia Environnement Industrie Maroc, Compagnie de Travaux Hydrau-liques du Maghreb, Redal and Amendis.
	CAPGEMINI (17/09/2020) (09/11/2020)	47,58	Capital increase in cash through the issue of CAPGEMINI SE shares reserved for eligible employees and corporate officers of the Group who are members of the Company Savings Plan (Plan d'Epargne d'Entreprise - PEG) and the International Group Savings Plan (Plan d'Epargne Groupe International - PEGI). Companies concerned in Morocco: CAPGEMINI TECHNOLOGY SERVICES MAROC S.A., ALTRAN MAROC and MG2 ENGINEERING.

Private Placement:

Between June 1st, and December 25, 2020, the AMMC has approved 12 private placement operations amounting to a total of MAD 11.5 billion. These operations concerned only bond loans.

HIGHLIGHTS

AMMC publishes its annual report for the year 2019



The Moroccan Capital Market Authority (AMMC) published its annual report for the year 2019. The report was presented by the Chairperson of the AMMC, Ms. Nezha HAYAT, to the Head of Government, Mr. Saad Dine El OTMANI, on Wednesday, 21 October 2020, in accordance with the provisions of Law no. 43-12.

As may be seen from the report, market capitalization experienced a significant change during the year 2019. This performance has concerned all sectors, particularly banking and telecommunications. Similarly, the stock market indices, like all other market indicators, have recorded a positive change in 2019.

With regard to authorizations and approvals, in 2019, the AMMC processed 64 financial transaction applications, approved 5 participants including 4 OPC management companies, authorized 222 UCITS, 2 FPCTs and 2 OPCCs. With regard to enforcement, 2019 was characterized by an increase in the number and complexity of cases investigated by the Enforcement Committee. The Enforcement Committee investigated 17 cases and issued 15 opinions, leading to 14 sanction decisions and one (1) decision to refer a case to the courts. [Download link](#)

Finance Quiz, the mobile app to learn about capital markets



The Moroccan Capital Market Authority (AMMC) launches « Finance Quiz », a mobile financial education app for the general public. « Finance Quiz » aims to bring the public closer to the capital market and to develop its financial literacy and skills.

Available free of charge in French and soon in Arabic on Google Play and the App Store, « Finance Quiz » is a game-based app that offers users, experts and beginners alike, the opportunity

to improve their financial literacy by learning more about savings, investments and financial instruments.

This progressive and intuitive app covers different topics and provides users with a useful glossary.

The app also notifies users of any updates or new features.

[Download link](#)

REGULATOR NEWS

The AMMC organizes a Webinar on Inclusive Finance in collaboration with its Scientific Committee

On October 27, the AMMC organized a Webinar on Inclusive Finance. This Webinar, hosted by the members of the AMMC Scientific Committee, was an opportunity to review the role and challenges of inclusive finance in Morocco.

The webinar discussed the benefits and pillars of financial inclusion, but also its positive impacts on development and economic growth.

In addition, the webinar provided an opportunity to discuss the current situation in Morocco and the roadblocks to financial inclusion.

Finally, accompanying measures to encourage inclusion were proposed. [To view the Webinar](#)

The AMMC Investor's Guide to Understanding Investment Channels and Adopting Best Practices



In keeping with its prerogatives regarding financial education, the AMMC has published an investor's guide for the general public aimed at simplifying the basics of investing in the capital market for current and future investors.

This guide discusses the channels of investment in financial instruments and presents good practices that investors can adopt to undertake with confidence investment acts adapted to their profile. [Download link](#)

The AMMC signs a partnership and cooperation agreement with the Presidency of the Public Prosecutor's Office



The Moroccan Capital Market Authority (AMMC) and the Presidency of the Public Prosecutor's Office (Présidence du Ministère Public - PMP) signed, on Wednesday, 16 December 2020, a memorandum of understanding on the coordination of capital market offenses, anti-money laundering and combating the financing of terrorism and the establishment of a training program in the field of capital markets.

This memorandum of understanding was signed by the King's Prosecutor General at the Court of Cassation, President of the Public Prosecutor's Office, Mr. Mohamed ABDENNABAOU and the Chairperson of the AMMC, Ms. Nezha HAYAT.

The AMMC's international activities

THE AMMC MAINTAINS ITS COMMITMENT TO IOSCO



The AMMC takes part in IOSCO Board meetings

In her capacity as Chair of the Africa and Middle East Regional Committee (AMERC), Ms. Nezha HAYAT, Chairperson of the AMMC, is also a member of the Board of Directors of the International Organization of Securities Commissions (IOSCO). In this context, the AMMC participated in the virtual meeting held on 15 September 2020, which focused on the progress of the work carried out by the sub-groups.

As a reminder, the IOSCO Board is the governing and standard-setting body of IOSCO and is composed of 34 securities regulators.

AMMC chairs the work of the AMERC regional committee

The AMMC organized, on the 30th of September, a working meeting chaired by Ms. Nezha HAYAT, in her capacity as Chair of the Africa and Middle East Regional Committee (AMERC) of IOSCO. The virtual meeting was an opportunity to present to the members the latest news and ongoing work carried out by the Board of Directors. It also provided an opportunity to identify the main priorities for the region, namely: Fintech, Sustainability and Capacity Building.

During this meeting, the members presented their assessment of the stock market situation as well as their initiatives within the framework of the World Investor Week.

As a reminder, the Africa and Middle East Regional Committee (AMERC) brings together all the capital market regulators of the IOSCO member region. Its work is aimed at examining and promoting issues specific to the development of capital markets in the region. AMERC comprises twenty-eight (28) Ordinary Members and twelve (12) Associate Members, all of which represent regulators from the Africa and Middle East region and meet the standards of the International Organization.

AMMC joins the IOSCO Finance and Audit Committee

The AMMC Chairperson, Ms. Nezha HAYAT, has been invited by the IOSCO Secretariat to join the Finance and

Audit Committee of the Organization. In this capacity, the AMMC participated in the committee meetings held on 29 September and 20 October 2020 which dealt with various IOSCO financial issues.

THE AMMC CONSOLIDATES ITS PARTICIPATION IN INTERNATIONAL REGULATORY BODIES

Technical meetings of the West African Securities Regulators Association – WASRA

As an observer member since 2019, the AMMC regularly participates in the WASRA technical committees. As such, the Authority took part in two important virtual meetings held on 28 July, 5 August and 28 October 2020. These meetings discussed the approval of the association's charter and the rules of procedure of the West African Capital Markets Integration Council (WACMIC).

The annual meeting of the Union of Arab Securities Authorities - UASA

The AMMC participated in the annual meeting of the Union of Arab Securities Authorities (UASA) held virtually on Wednesday, 24 June 2020. This meeting was an opportunity to present the achievements of the UASA during the year 2019 and to submit its annual report under 2019 to the members for approval.

The study meeting with the Regional Council for Public Savings and Financial Markets - CREPMF

Pursuant to the recommendations of the Financial Stability Committee of the West African Monetary Union (WAMU), CREPMF intends to develop a risk mapping of the regional financial market and implement a risk management framework. In this context, the Council wished to draw on the AMMC's experience in this area. Accordingly, the Authority held a virtual working session on 16 September 2020 with a delegation from the CREPMF to present its organization, its risk mapping and its new risk management tool: the «Oxial sGRC» solution.

REGULATORY FLASH

PUBLISHED TEXTS

Order no.1786-20 setting the terms and conditions for carrying out financing risk guarantee transactions by securitization vehicles (FPCT) and the conditions in terms of prudential rules and supervision applicable to them

The ministerial order no. 1786-20 setting the terms and conditions for carrying out financing risk guarantee transactions by securitization vehicles (Fonds de Placement Collectif en Titrisation - FPCT) was published in the Official Gazette no. 6914 dated 3 September 2020 and rectified in the Official Gazette no. 6932 dated 5 November 2020.

The decree lists the various indications relating to the financing risk guarantee operations that must be included in the management regulations. In addition, the text lists the organizations and institutions authorized to issue the guarantee in favor of the FPCT or one of its compartments, and specifies the conditions and the prudential and control rules relating to the guarantee of financing risks.

Public Consultation

AMMC Circular no. 03/19 on financial transactions and reporting

In accordance with the provisions of Article 63 of its general regulations, the AMMC puts the draft amendment to its circular no. 03/19 on financial transactions and reporting for public consultation from 21 October to 4 November 2020, after a preliminary annual review of its implementation. The main proposed amendments concern the following provisions:

- broadening of the definition of qualified investor by including subsidiaries;
- the exemption from publication of quarterly indicators for Q2 and Q4 when the issuer publishes its half-yearly or annual financial report within two months following the close

- of the half-year or fiscal year respectively;
- the obligation to publish without delay the press release after the Board of Directors has approved the annual and half-yearly financial statements;
- the obligation to report on the evaluation of the governance body, specifying the identity of the evaluator, the topics evaluated and the nature of the evaluation (individual or collective).

AMMC Circular on Financial Investment Advisors

From 18 January to 17 February, the AMMC put a draft circular on financial investment advisors out for public consultation. Following comments received during the consultation period and discussions with industry professionals, the AMMC is opening a second phase of public consultation on the amended draft circular. The public consultation was held from 11 August to 7 September 2020.

AMMC Circular no. 01/18 on due-diligence and internal watch requirements incumbent upon market participants subject to its oversight

The AMMC has published the draft amendment to its Circular No. 01/18 on due-diligence and internal watch requirements incumbent upon market participants subject to its oversight. Aiming at repealing and replacing Circular No. 01/18, the said draft provides for the amendment and completion of certain provisions, but also for the introduction of new ones. It deals, inter-alia, with:

- the introduction of new definitions;
- the reinforcement of the points of vigilance with respect to at-risk clients;
- the consolidation of vigilance measures;
- the obligation to apply targeted financial sanctions, including freezing of assets.

THE AMMC ANSWERS YOUR QUESTIONS

“The AMMC answers your questions” is a section dedicated to answers provided by the Authority to incoming questions. The AMMC receives questions on a variety of topics, mainly related to market rules and regulations. Most requests are from market professionals and the general public.

The Authority ensures that all questions received are answered in accordance with the internal procedure established for this purpose.

I hold shares in a listed company that is subject to a mandatory public take-over bid. Am I required to tender my shares in response to the offer? And how is the purchase price set?

Public take-over bids on listed securities are governed by law no. 26-03 on public take-over bids on the stock market. The regime of public take-over bids applies to the operations of acquisition or transfer of capital securities or voting rights of listed companies, and addressed to the shareholders (case of take-over bids) or to the public in general (case of public take-over bids) by way of public announcement and by the establishment of a prospectus approved by the AMMC.

With respect to take-over bids, a distinction must be made between the voluntary and mandatory schemes. Indeed, the occurrence of certain triggering events implies the mandatory launch of a take-over bid for shareholders. In your case, this would be a mandatory take-over bid following the crossing of a holding threshold by a shareholder or a group of shareholders acting together. This threshold is set by Order of the Minister of Finance No. 1874-04 (25 October 2004) at 40%. As stated in Article 18 of the above-mentioned law, «the filing of a public take-over bid is mandatory when a natural person or legal entity, acting alone or jointly with others [...], comes to hold, directly or indirectly, a specified percentage of the voting rights of a company whose securities are listed on the Stock Exchange».

It should be noted that the obligation is incumbent on the shareholder in a situation

where this threshold is crossed, whereas the shareholders to whom the bid is addressed remain free to tender or not their shares in response to the bid. However, they should be aware that the bid is limited in time (a few days) and that once it has expired, they can no longer reconsider their decision.

With regard to the take-over bid price, it is set by the bidder based on a valuation explained and presented in the prospectus relating to the bid. It should comply with the principles listed in Article 25 of the Law which provides that «the price or exchange ratio, referred to in Article 24 above, must be established in accordance with relevant and customary valuation methods. The criteria used in the said methods must be known, accurate, objective, significant and multiple, and lead to a fair and legitimate estimate of the target company, satisfying both the general interest of the proper functioning of the market and the requirement of fair trading».

THE AMMC ANSWERS YOUR QUESTIONS

Are there specific provisions for the payment of dividends when a company is listed on a stock exchange?

The decision to pay or not a dividend to shareholders remains a sovereign resolution of the issuer decided by the shareholders' meeting. Yet, the admission of securities to the stock exchange implies specific obligations in relation to the conditions of stay on the stock exchange. In this sense, the legislation governing the Stock Exchange determines the cases that may lead to the delisting of securities at the initiative of the managing company of the Stock Exchange. One of the listed cases refers to the payment of dividends, but its scope has significantly evolved in the wake of the latest Stock Exchange Law overhaul. Indeed, the Dahir providing Law no. 1-93-211 on the Stock Exchange provided in its Article 16 that: «The delisting of securities listed on the Stock Exchange may occur at the request of the concerned legal entity or at the initiative of the managing company. The factors taken into consideration to motivate the decision of delisting are the following:

- *compliance with the conditions and commitments provided for in Articles 14, 14a and 14b ;*
- *the daily average of transactions expressed in MAD and in securities as well as the number of trading days on which the securities have been listed ;*
- *the payment of dividends during the last three financial years».*

With the entry into force of Law No.19.14 on the stock Exchange, brokerage firms and financial investment advisors, enacted by the Stock Exchange General regulations in 2019, payment of dividends has been reviewed according to Article 19 which stipulates that «The delisting of a financial instrument from the Stock Exchange listing may be decided

by the Stock Exchange Managing Company after prior information of the AMMC.

The delisting of a financial instrument from the Stock Exchange may occur upon a request submitted by the issuer to the Stock Exchange Managing Company. The managing firm proceeds to the delisting of a financial instrument with regard to the following factors:

- *Non-compliance with the conditions of stay on the Stock Exchange listing;*
- *lack of liquidity of the financial instrument concerned;*
- *non-compliance with the resolution adopted by the Ordinary Shareholders' Meeting to pay out dividends».*

This new wording concerning the factors that may motivate the delisting of securities from the stock exchange indicates that the issuer is required to comply with the commitment to pay a dividend if a resolution is adopted by the general shareholders' meeting to this effect. Otherwise, it does not (no longer) have the obligation to pay dividends over a given period.

FOCUS ON : *THE ALTERNATIVE MARKET OF THE CASABLANCA STOCK EXCHANGE*

With the aim of facilitating access to financing for small and medium-sized enterprises (SMEs), the Law No. 19-14 on the Stock Exchange, brokerage firms and financial investment advisors, within the Casablanca Stock Exchange, introduced a market adapted to the characteristics of these enterprises. This new market, referred to as the Alternative Market, was launched at the end of 2019, through the adoption of the new General Regulations of the Stock Exchange. It is dedicated exclusively to the trading of financial instruments issued by SMEs and benefits from streamlined operating rules and simplified information obligations.

This development is part of the modernization of the Moroccan financial market, through a comprehensive reform of its governing legislative and regulatory framework, in accordance with the best international standards and norms. As such, this development will meet the expectations of the market and investors. The creation of this market aims to promote, in addition to access to financing through the stock market for SMEs, the creation of new investment opportunities and portfolio diversification for investors, in an appropriate and secure framework.

Besides, the alternative market comprises three compartments: «Alternative A», «Alternative B» and «Alternative C»:

- the «Alternative A» compartment is intended for trading in equity securities issued by SMEs;
- the «Alternative B» compartment is intended for trading in debt securities issued by SMEs;
- the «Alternative C» compartment is intended for :
 - the trading of equity securities issued by SMEs, reserved for qualified investors and any investor holding a portion of the issuer's capital prior to the listing of these financial instruments;
 - the trading of debt securities issued by SMEs, reserved for qualified investors.

This last compartment reserved for qualified investors has been introduced, both in the Main Market and in the Alternative Market, by the new General Regulations of the Stock Exchange. These two compartments are designed to accommodate financial instruments that require the appropriate skills and resources to be able to understand the inherent risks.

With regard to the Alternative Market and its various components, the streamlining of the operating rules concerns both the conditions for listing and certain ongoing obligations incumbent on SMEs, particularly in terms of governance and the circulation of financial information.

Indeed, given that this new market targets all SMEs likely to seek financing on the Stock Exchange, it was important to set size conditions that are appropriate and promote their

eligibility to this market. As such, it is sufficient to meet only one of the following three criteria for eligibility:

- to have employed, during the last six months, an average number of employees of less than 300 people;
- to have a balance sheet total not exceeding MAD 200 million for the last financial year preceding the date of submission of the application for the admission of its shares;
- to have a turnover not exceeding MAD 500 million for the last financial year preceding the date of submission of the application for the admission of its securities.

Similarly, the other eligibility criteria to access the Alternative Market are less demanding than those related to the Main Market. By way of comparison, SMEs can:

- list equity securities representing a minimum of MAD 5 million, whereas on the Main Market, the minimum to be distributed to the public starts from MAD 100 million;
- have only one certified financial year of its summary statements, whereas on the Main Market, certified statements for three financial years are required;
- have debt securities representing a minimum of MAD 20 million listed, compared to a minimum of MAD 100 million on the Main Market.

In addition, SMEs listed on the Alternative Market benefit from a simplified regime in terms of reporting requirements. In this respect, it benefits from several simplifications such as:

- an exemption from publication of quarterly activity and financial indicators;
- an additional one-month period for the publication of the annual financial report;
- an exemption from publication of information relating to environmental and social aspects included in the annual ESG (Environment, Social and Governance) report;
- a waiver of publication of management comments included in the annual and half-yearly financial reports, etc.; and

Finally, the SMEs have the option of appointing a single independent director to its Audit Committee instead of a minimum of two for companies listed on the Main Market.

Performance of listed companies:

Half-yearly results of listed companies by activity sector

Sector	S1 2019 – S1 2020 Revenue			S1 2019 – S1 2020 Results		
	Revenue /NBI S1 2019	Revenue /NBI S1 2019	Change %	Net Income/Net income, group share S1 2019	Net In-come/Net income, group share S1 2020	Change %
Agribusiness	11 019 206	10 926 498	-0,8%	352 567	364 978	3,5%
Insurance and Brokerage	10 676 146	10 670 151	-0,1%	964 948	-24 895	-102,6%
Banks	31 468 462	33 581 298	6,7%	6 549 681	2 767 285	-57,7%
Buildings and building materials	3 096 352	2 209 228	-28,7%	120 481	-13 334	-111,1%
Chemicals and parachemistry	720 732	579 207	-19,6%	46 620	13 507	-71,0%
Cement manufacturing plants	5 955 303	4 876 645	-18,1%	1 465 068	621 201	-57,6%
Trade	597 077	378 694	-36,6%	-56 327	-31 600	-43,9%
Distribution	4 683 270	5 380 755	14,9%	167 541	191 370	14,2%
Power	4 511 999	4 016 362	-11,0%	507 229	428 493	-15,5%
Electrical equipment	949 514	886 351	-6,7%	25 454	14 189	-44,3%
Engineering and industrial equipment	179 406	143 215	-20,2%	-47 056	-19 265	-59,1%
Hardware, software and ICT	1 768 580	1 745 242	-1,3%	116 213	130 651	12,4%
Mines	2 834 993	3 007 814	6,1%	-2 197	199 569	-9183,7%
Oil-gas and lubricants	9 465 504	7 502 232	-20,7%	631 110	119 306	-81,1%
Pharmaceutical	1 080 907	1 096 556	1,4%	118 528	130 278	9,9%
Community Services	3 593 348	3 381 557	-5,9%	69 025	-25 874	-137,5%
Financing Companies	832 833	745 256	-10,5%	229 928	62 954	-72,6%
Investment Companies	2 035 971	1 817 777	-10,7%	139 136	108 933	-21,7%
Real estate and hotel companies	4 429 388	1 956 822	-55,8%	596 408	-164 674	-127,6%
Forestry and paper	38 412	23 009	-40,1%	-6 851	-7 868	14,8%
Telecommunications	17 844 000	18 323 000	2,7%	3 022 000	1 969 000	-34,8%
Transport and transport services	5 797 261	4 446 467	-23,3%	556 947	55 424	-90,0%
Total	123 578 664	117 694 136	-4,8%	15 566 453	6 889 628	-55,7%

NBI: Net Banking Income

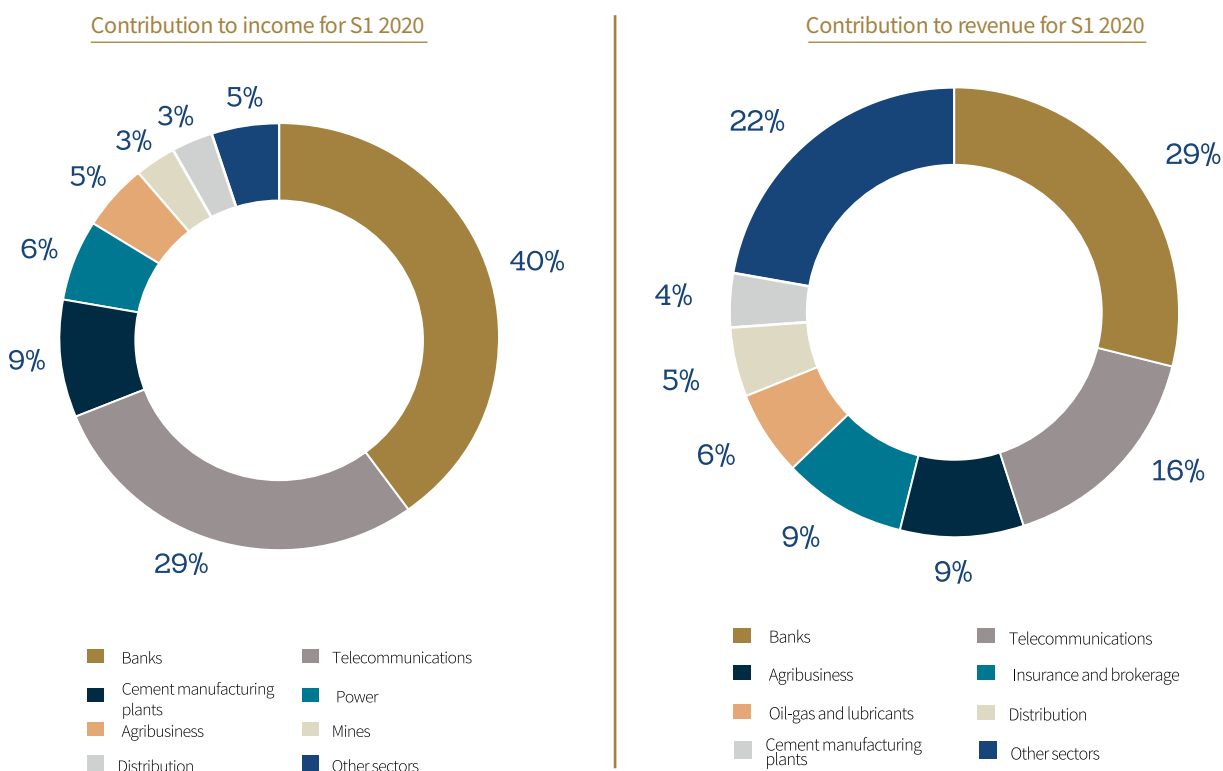
Issuers' publications:

Issuers' reporting of financial information during the first half of 2020

Subject of the press release	Number
Notice of Shareholders' Meetings	119
Comments on results	117
Post Shareholders' Meetings Information	26
Quarterly indicators	182
Income from financial transactions	11
Other Important Information	70

REVIEW *OF THE HALF-YEARLY RESULTS OF LISTED COMPANIES*

Results of issuers listed in the stock exchange



MAD 117 billion

In the first half of 2020, the overall revenues of listed companies amounted to MAD 117.7 billion. The banking sector, having generated 29% of the total, achieved a revenue of MAD 34 billion, up 7% compared to the same period of the year 2019. The «Telecommunications» sector, which contributes to 16% of the overall revenues, recorded a total revenue of MAD 18.3 billion, up 3% compared to the end of June 2019.

Regarding the income, the listed companies managed, despite the impact of the health crisis, to achieve an overall net profit of nearly MAD 7 billion for the first half of 2020. The 56% decline in profits, compared to the first half of 2019, is fairly consistent with expectations and clearly reflects the real impact of the crisis. Banks and telecoms generated more than 69% of total profits with half-yearly results of MAD 2.8 and 2 billion respectively.



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