



**Foreign investment in  
Casablanca stock exchange  
The second half of 2014**

**April 2015**

*The value of shares listed on the Casablanca stock exchange owned by foreign investors has increased by 9.54%, moving from 139.2 billion dirhams in June 2014 to 152.5 billion dirhams in December 2014. This increase is due mainly to the positive evolution recorded by the stock market during 2014 where the MASI rose by 5.55%.*

*The geographic origin of foreigners' and Moroccans resident abroad' capital was generally maintained in the second half of 2014. The share of investors from the Middle East increased from 42.4% in June to 45.2 % in December 2014, against a decline in the share of Europeans from 50.3% to 47.4% during the same period.*

*Most of the foreign investment in listed shares takes the form of strategic holdings. The share of these in the total amount of foreign investment in the second half of 2014 remained virtually the same as in June 2014 and December 2013, and dominates up to 89.9%.*

*The floating share of foreign capital invested in the Casablanca Stock Exchange was slightly up compared to June 2014 and amounted to 3.18% of the total market capitalization and 13.70% of the free float.*

*Finally, foreign investment in UCITS shares amounted to 1.383 billion dirhams in December 2014, up by 31% compared to the end of June 2014, where it stood at 1.053 billion dirhams.*

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## METHODOLOGY

The preparation of this report is based on the following information and data:

- ✓ The statistics provided by the custodians for the breakdown of assets by investors' type (foreigners & MRA);
- ✓ The threshold crossing declarations;
- ✓ The float and stock prices as published by the Casablanca stock exchange;
- ✓ The valuation of UCITS prepared on the basis of the last net asset value at the end of the semester (26/12/2014);
- ✓ The shareholders of listed companies as published in the Stock Exchange website.

In this report, the term "foreign investment" refers to the investment acts performed by foreign natural persons and corporations, resident or nonresident in Morocco, but also by MRA. In this regard, it should be noted that:

- For Moroccans resident abroad and foreigners resident in Morocco, the custodian entity lists only the operations financed by inflow of foreign currency, debit of a foreign account in convertible dirham, a foreign currency account or by any other method of financing assimilated to the supply of foreign exchange under the provisions of Articles 772-773 of the exchange regulations of transactions in 2013.
- For non-resident foreigners in Morocco, all operations are identified in that they are all financed by foreign currency.

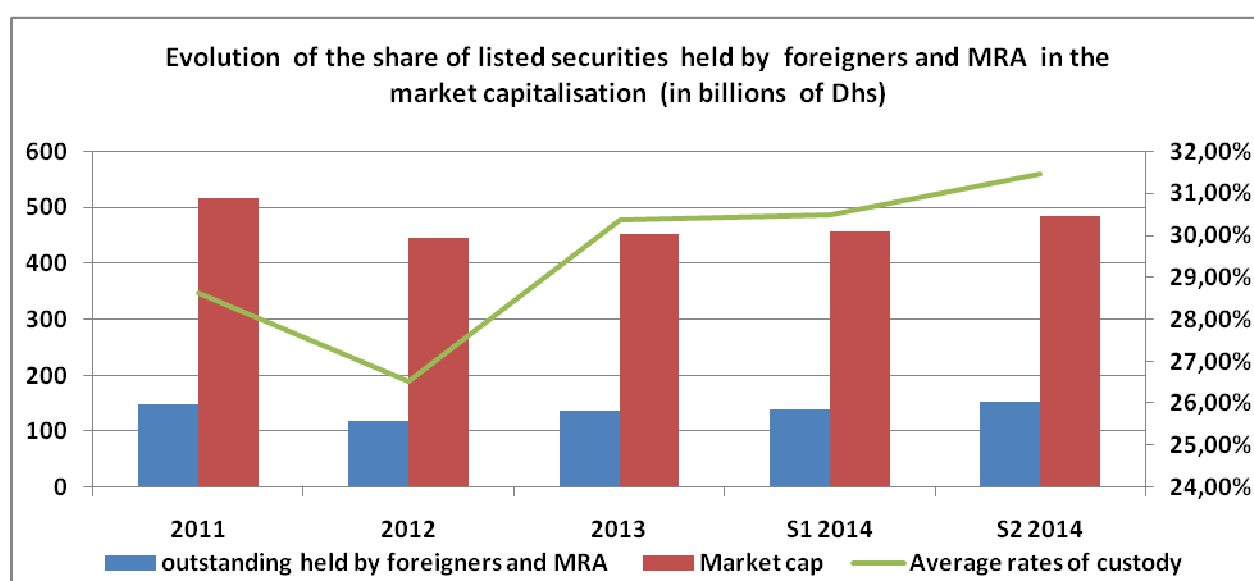
# I. Listed securities

## 1. Evolution of the share held by foreigners and MRA

### 1.1 Increase in the value of foreign investments in listed securities

At the end of 2014, foreign and MRA investment in listed shares amounted to 152.5 billion dirhams, recording an increase of 9.54% compared to the level recorded in June 2014 and represents 31.47 % of market capitalization.

This increase is due to two factors: mainly a price factor, following the good performance of the Casablanca stock exchange during 2014 (MASI + 5.55%) and, to a lesser extent, the increase of the stock. Indeed, at constant prices, the current stock is valued at 142.2 billion dirhams, recording an increase of 2.2%.



Source: Custodians, Casablanca stock exchange, CDVM calculations

The share of capital held by foreign investors and MRA in listed companies varies by company and industry. Indeed, the breakdown of capital held by foreigners has not undergone any significant change while average holding rates varied slightly between June and December 2014.

### Breakdown of foreign and MRA holdings in listed companies

Capital share held by foreigners & MRA	Number of listed companies			Average rates of holding by foreigners & MRA		
	2013	Q1 2014	Q2 2014	2013	Q1 2014	Q2 2014
From 0 to 25%	51	49	50	4,67%	5,36%	5,27%
From 25 to 50%	9	10	10	33,46%	33,01%	31,00%
From 50 to 75%	11	8	8	57,85%	56,97%	56,81%
More than 75%	5	8	7	84,29%	83,09%	85,60%
<b>Total</b>	<b>76</b>	<b>75</b>	<b>75</b>			

Source: Custodians, Casablanca stock exchange, CDVM calculations

Foreign investors and MRA holdings remain a minority in almost two thirds of listed companies and have an average holding rate of 5.27%.

### Typology of foreigners & MRA investments in Moroccan listed securities

(In millions of dirhams)

	31/12/2013		30/06/2014		31/12/2014	
	Amount	%	Amount	%	Amount	%
<b>Investments of Foreigners &amp; MRA held in Morocco, including :</b>	<b>136 990</b>	<b>100%</b>	<b>139 185</b>	<b>100%</b>	<b>152 469</b>	<b>100%</b>
- Startegic share	122 634	89,52%	124 993	89,80%	137 045	89,88%
- Float	14 356	10,48%	14 192	10,20%	15 424	10,12%
<b>Market Cap</b>	30,37%		30,49%		31,47%	
<b>Floating market cap</b>	27,18%		27,38%		28,29%	
<b>Foreign &amp;MRA investments /Market Cap</b>	3,18%		3,11%		3,18%	
<b>Strategic share/ Market Cap</b>	14,18%		13,83%		13,70%	

Source: Custodians, Casablanca stock exchange, CDVM calculations

#### 1.2 Dominance of strategic holdings

To measure the free float held by foreign investors and MRA, the CDVM considers "strategic holdings" as any holding exceeding 4% of the capital.

Strategic holdings dominate foreign investment in listed shares, accounting for over 89 % of the total amount invested, recording a stagnation compared to the level recorded on June 30th, 2014.

This strategic share represents 28.29 % of the market capitalization, up by 0.9 points compared to the first half of 2014.

#### 1.3 Slight increase of the floating share of foreign capital in listed shares

The floating share of foreign investment in the Casablanca Stock Exchange was up 8.68 % compared to the level recorded in the first half. However, this share of the market capitalization remained stable (3.18 %), due to the increase of the latter.

However, the floating part of foreigners and MRA investment of the floating market capitalization continues its downward trend from 14.18% in 2013, to 13.83 % in June 2014 to 13.7 % at the end of December 2014.

## 2. Geographic origin of foreign and MRA investors

### Dominance of European investors

The geographic origin of foreign and MRA investors appears, in 2014, similar to that recorded in 2013.

However, following the sale operation of Maroc Telecom by Vivendi to Emirati Etisalat in May 2014, the share of European investment continues to decline ( 80.55 % in 2013 , 50.29 % in June 2014 and 47.38 % in December 2014 ), bringing it closer to that of the Middle East ( 45.16% in December 2014) , which, for its part, continues its upward trend.

### Breakdown of foreign and MRA capital by Geographic origin

Geographic Origin	2013		Q1 2014		Q2 2014	
	cap share	Foreign investment share	Cap share	Foreign investment share	Cap share	Foreign investment share
Europe	24,46%	80,55%	15,33%	50,29%	14,91%	47,38%
Middle East	3,18%	10,47%	12,92%	42,36%	14,21%	45,16%
North America	1,21%	3,98%	1,24%	4,08%	1,34%	4,24%
Africa	0,71%	2,34%	0,49%	1,62%	0,59%	1,88%
Asia, Oceania & South America	0,81%	2,66%	0,51%	1,66%	0,42%	1,34%
Total	30,37%	100%	30,49%	100%	31,47%	100%

Source: Custodians, Casablanca stock exchange, CDVM calculations

### 3. Breakdown of investment amount by investors type

#### 3.2 Central position of nonresident foreign corporations

The amount invested by nonresident corporations increased by 9.77% in December 2014 with 150.65 billion dirhams. The share of this category of investors increased slightly compared to June 2014 and represents 98.81 % of the amount of foreign investment in listed shares.

#### Breakdown of foreign and MRA capital by investors' type

(In millions of dirhams)

Type	Category	31/12/2013		30/06/2014		31/12/2014		variation 13vs14
		Amount	%	Amount	%	Amount	%	%
Non resident foreigners	Cor	134 118	97,90%	137 246	98,61%	150 650	98,81%	9,77%
	NP	222	0,16%	248	0,18%	277	0,18%	11,86%
Resident foreigners	Cor	1 110	0,81%	962	0,69%	900	0,59%	-6,40%
	NP	1 233	0,90%	428	0,31%	376	0,25%	-11,96%
MRA	NP	308	0,22%	301	0,22%	264	0,17%	-12,18%
Total		136 990	100%	139 185	100%	152 469	100%	9,54%

Source: Custodians, Casablanca stock exchange, CDVM calculations

#### 3.3 Strong presence of non-resident Emiratis and French corporations

During the second half of 2014, the structure of foreign investment by nationality and type of investors shows that the UAE corporations are the first nonresident investors, with nearly 42% of total investment of corporations, followed by French corporations whose share decreased, during 2014, going from 39.26 % in June to 38 % in December.

#### 4. Breakdown by place of custody

Nearly 99.95% of the total market capitalization is held with the Moroccan custodians affiliated to the Central Depository Maroclear. Only Maroc Telecom securities are partly held outside Morocco, with account holders affiliated to the central depository Euroclear France. This share represents, at the end of December 2014, 0.05 % of the total market capitalization and remains almost at the same level as in June, which is 0.06 %.

#### Breakdown of Market cap by custody place (In Millions of Dirhams)

	31/12/2013		30/06/2014		31/12/2014		Variation Q1 2014/Q2 2014
	Amount	%	Amount	%	Amount	%	
<b>Market Cap including</b>	<b>451 113</b>	100%	<b>456 461</b>	100%	<b>484 448</b>	100%	6,13%
<b>Held outside Morocco including</b>	379	0,08%	283	0,06%	255	0,05%	-9,93%
<b>Maroc Telecom securities</b>	379	0,08%	283	0,06%	255	0,05%	-9,93%
<b>Held in Morocco including</b>	450 734	99,92%	456 178	99,94%	484 193	99,95%	6,14%
<b>Held by Moroccan residents</b>	314 123	69,63%	316 993	69,45%	331 725	68,47%	4,65%
<b>Held by Foreigners &amp; MRA including</b>	<b>136 990</b>	30,37%	<b>139 185</b>	30,49%	<b>152 468</b>	31,47%	9,54%
<b>Resident foreigners</b>	2 343	0,52%	1 390	0,30%	1 277	0,26%	-8,13%
<b>Non resident foreigners</b>	134 340	29,78%	137 494	30,12%	150 927	31,15%	9,77%
<b>MRA</b>	308	0,07%	301	0,07%	264	0,05%	-12,27%

Source: Custodians, Casablanca stock exchange, CDVM calculations

## II. UCITS

### 1. Structure of foreign investment in UCITS securities

On December 31<sup>st</sup>, 2014, the amount of foreign investment in UCITS shares reached 1.383 billion dirhams against 1.053 billion dirhams in June 2014, recording an increase of 31%. This increase is due in part to the increase in the total net assets of UCITS 8% to stand at 300.5 billion against 277.3 billion at the end of June 2014.

The highlight during this semester is the increase in the share of foreign resident persons by 77%, who became the leading contributors in foreign investment in UCITS with more than 561 million dirhams, which is 40.61 % of the total amounts invested.

The second largest increase (+ 74%) concerns foreign nonresident corporations whose contribution in the investment increased from 5.38 % in June to 7.11% in December 2014.

## Evolution of the structure of foreign investment in UCITS

(in millions of Dhs)

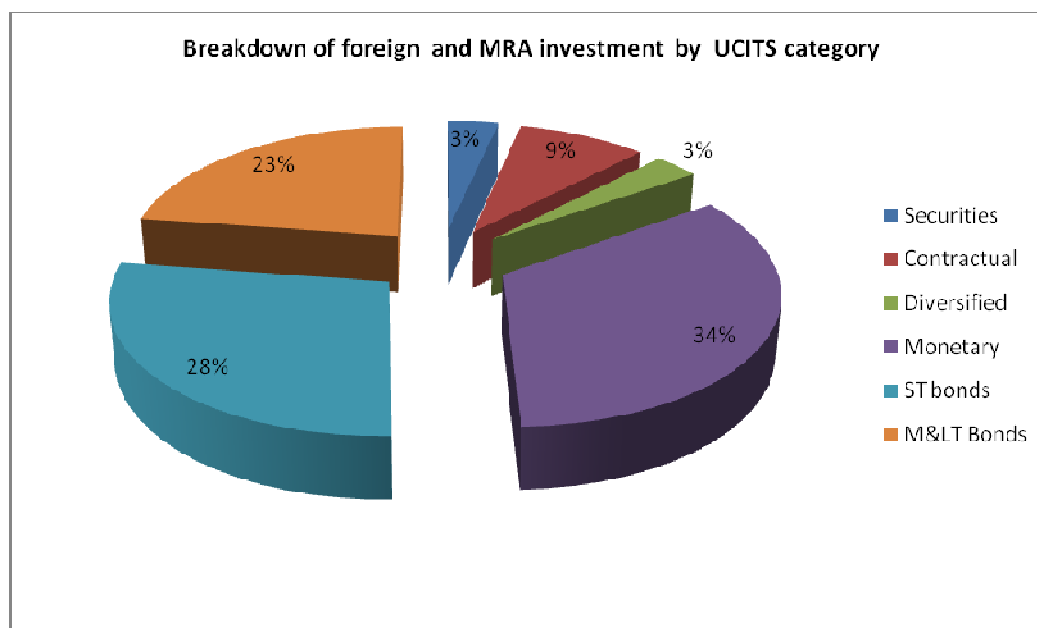
Type	Category	31/12/2013		30/06/2014		31/12/2014		Variation Q1 2014 / Q2 2014
		Amount	%	Amount	%	Amount	%	
Non resident foreigners	Cor	68,08	7,21%	56,62	5,38%	98,31	7,11%	74%
	NP	160,53	17,00%	176,53	16,76%	254,63	18,42%	44%
Resident foreigners	Cor	28,53	3,02%	39,31	3,73%	34,84	2,52%	-11%
	NP	316,37	33,51%	317,55	30,16%	561,49	40,61%	77%
MRA	NP	370,71	39,26%	463,02	43,97%	433,43	31,35%	-6%
<b>Total</b>		<b>944</b>	<b>100%</b>	<b>1 053</b>	<b>100%</b>	<b>1 383</b>	<b>100%</b>	<b>31%</b>
<b>UCITS total net assets</b>		<b>245 544</b>		<b>277 307</b>		<b>300 537</b>		<b>8%</b>
<b>Total/Total net assets</b>		<b>0,38%</b>		<b>0,38%</b>		<b>0,46%</b>		

The trend in these recent years remains unchangeable this semester with natural persons who dominate foreign investment in UCITS shares.

In terms of investments amounts, the share of natural persons increased from the first half of the year and stood, by the end of December 2014, at 1.250 billion dirhams against 957.1 million dirhams in June 2014 (an increase of 30.6% in volume).

### 2. Breakdown of foreign investment and MRA by UCITS type

The total amount of investment in UCITS shares held by foreign investors in 2014 shows the preference for "monetary" UCITS with a share of 34% ( against 36% in late June 2014) followed by short-term bonds UCITS" 28% against 18 % in June 2014. The portion invested in " Medium and long-term bonds" UCITS stands at 23% of the amount invested.



### III. Conclusion

The share of market capitalization held by foreigners and MRA amounted to 31.47% in the second half of 2014 against 30.49% in June of the same year. The increase in the amount of foreign investment is mainly explained by the positive performance of the market in general, and particularly by the evolution of prices of foreigners' securities portfolio. Indeed, securities which recorded a higher performance than MASI represent in value 67% of the portfolio.

Europe remains the largest foreign investor in the Casablanca Stock Exchange with 47.38% of the total foreign investment although their share has substantially decreased in favor of investors from the Middle East, and has been since the sale transaction, of 53% of the capital of Maroc Telecom by Vivendi to Etisalat, carried out in February 2014.

The floating share held by foreigners and MRA in market capitalization remains relatively low and varied between 3.1% and 3.2% during the period.

Strategic holdings dominate up to 89.88% of the total investment of foreigners and MRA on the Casablanca Stock Exchange.

The stock of foreign investment in UCITS shares was up by 31%, however, it represents only a negligible share in the total net assets (0.46%).

## IV. Appendices

### Abbreviations

NRF	:	Nonresident foreigner
RF	:	Resident foreigner
MRA	:	Moroccans resident abroad
Cor	:	Corporate
NP	:	Natural Person

### 1. Structure of the investment in listed securities of nonresident foreign corporations held in Morocco by nationality

Type	Category	Nationality	Amount (in dirhams)	Percentage
NRF	Cor	UNITED ARAB EMIRATES	63 122 489 487,16	41,90%
NRF	Cor	FRANCE	57 194 572 635,45	37,97%
NRF	Cor	UNITED STATES	6 107 966 305,54	4,05%
NRF	Cor	BELGIUM	5 192 301 296,00	3,45%
NRF	Cor	SPAIN	3 686 171 216,00	2,45%
NRF	Cor	SAUDI ARABIA	2 882 908 624,00	1,91%
NRF	Cor	SINGAPORE	2 027 756 713,92	1,35%
NRF	Cor	SWEDEN	1 942 422 665,40	1,29%
NRF	Cor	KUWAIT	1 440 059 716,00	0,96%
NRF	Cor	ISRAEL	1 276 053 208,00	0,85%
NRF	Cor	GREAT BRITAIN	1 053 876 026,14	0,70%
NRF	Cor	PORTUGAL	1 019 505 960,00	0,68%
NRF	Cor	OTHERS	3 704 102 478,09	2,46%
		<b>Total</b>	<b>150 650 186 331,70</b>	<b>100%</b>

**2. Structure of the investment in listed securities of nonresident foreign natural Persons held in Morocco by nationality**

Type	Category	Nationality	Amount	Percentage
NRF	NP	FRANCE	170 799 244,94	61,61%
NRF	NP	UNITED ARAB EMIRATES	47 102 577,00	16,99%
NRF	NP	SWITZERLAND	36 485 568,40	13,16%
NRF	NP	SAUDI ARABIA	15 381 508,60	5,55%
NRF	NP	SPAIN	2 012 040,60	0,73%
NRF	NP	GREAT BRITAIN	1 491 655,60	0,54%
NRF	NP	SWEDEN	1 201 875,00	0,43%
NRF	NP	ALGERIA	656 954,00	0,24%
NRF	NP	KUWAIT	625 407,60	0,23%
NRF	NP	ITALY	466 592,00	0,17%
NRF	NP	TAIWAN	225 400,00	0,08%
NRF	NP	GERMANY	212 538,05	0,08%
NRF	NP	OTHERS	578 233,30	0,21%
		<b>Total</b>	<b>277 239 595,09</b>	<b>100%</b>

**3. Structure of the investment in listed securities of resident foreign natural persons held in Morocco by nationality**

Type	Category	Nationality	Amount	Percentage
RF	Cor	FRANCE	900 311 719,95	99,98%
RF	Cor	BELGIUM	131 100,00	0,01%
RF	Cor	LEBANON	6 031,40	0,00%
		<b>Total</b>	<b>900 448 851,35</b>	<b>100%</b>

4. Structure of the investment in listed securities of resident foreign natural persons held in Morocco by nationality

Type	Category	Nationality	Amount	Percentage
RF	NP	FRANCE	307 893 140,63	81,79%
RF	NP	UNITED ARAB EMIRATES	42 058 204,00	11,17%
RF	NP	GERMANY	9 876 903,50	2,62%
RF	NP	SPAIN	6 027 016,10	1,60%
RF	NP	SAUDI ARABIA	2 482 552,60	0,66%
RF	NP	B.L.E.U	1 082 101,71	0,29%
RF	NP	ALGERIA	923 429,70	0,25%
RF	NP	LIBYA	883 918,70	0,23%
RF	NP	SYRIA	695 894,60	0,18%
RF	NP	ITALY	607 474,30	0,16%
RF	NP	TUNISIA	524 249,10	0,14%
RF	NP	SWITZERLAND	492 330,40	0,13%
RF	NP	IRAQ	433 236,10	0,12%
RF	NP	OTHERS	2 479 854,85	0,66%
		<b>Total</b>	<b>376 460 306,29</b>	<b>100%</b>

5. Structure of the investment in UCITS shares of nonresident foreign natural persons by nationality

Type	Category	Nationality	Amount	Percentage
NRF	NP	FRANCE	211 127 909,00	82,92%
NRF	NP	SWITZERLAND	11 317 597,28	4,44%
NRF	NP	SPAIN	9 584 345,59	3,76%
NRF	NP	SAUDI ARABIA	5 104 834,64	2,00%
NRF	NP	BELGIUM	6 261 224,50	2,46%
NRF	NP	IVORY COST	1 739 659,28	0,68%
NRF	NP	ALGERIA	1 563 100,00	0,61%
NRF	NP	ITALY	1 356 630,81	0,53%
NRF	NP	CHAD	1 101 748,62	0,43%
NRF	NP	OTHERS	5 470 807,66	2,15%
		<b>Total</b>	<b>254 627 857,38</b>	<b>100%</b>

6. Structure of the investment in UCITS shares of nonresident foreign corporations by nationality

Type	Category	Nationality	Amount	Percentage
<b>NRF</b>	<b>Cor</b>	<b>FRANCE</b>	76 325 584,75	77,64%
<b>NRF</b>	<b>Cor</b>	<b>GREAT BRITAIN</b>	9 925 594,96	10,10%
<b>NRF</b>	<b>Cor</b>	<b>SPAIN</b>	7 053 866,55	7,18%
<b>NRF</b>	<b>Cor</b>	<b>SWITZERLAND</b>	3 246 014,52	3,30%
<b>NRF</b>	<b>Cor</b>	<b>BELGIUM</b>	1 760 177,28	1,79%
		<b>Total</b>	<b>98 311 238,06</b>	<b>100%</b>

7. Structure of the investment in UCITS shares of resident foreign corporations by nationality

Type	Category	Nationality	Amount	Percentage
<b>RF</b>	<b>Cor</b>	<b>UNITED STATES</b>	15 070 781,70	43,25%
<b>RF</b>	<b>Cor</b>	<b>TURKEY</b>	10 353 984,00	29,72%
<b>RF</b>	<b>Cor</b>	<b>FRANCE</b>	6 135 800,38	17,61%
<b>RF</b>	<b>Cor</b>	<b>LEBANON</b>	3 282 338,40	9,42%
		<b>Total</b>	<b>34 842 904,48</b>	<b>100%</b>

8. Structure of the investment in UCITS shares of resident foreign natural persons by nationality

Type	Category	Nationality	Amount	Percentage
RF	NP	FRANCE	371 538 763,70	66,17%
RF	NP	UNITED STATES	68 289 362,34	12,16%
RF	NP	IRAQ	25 989 411,46	4,63%
RF	NP	SWEDEN	14 992 099,93	2,67%
RF	NP	ITALY	13 187 597,77	2,35%
RF	NP	TUNISIA	11 271 056,10	2,01%
RF	NP	GERMANY	10 389 367,26	1,85%
RF	NP	SPAIN	9 774 510,22	1,74%
RF	NP	BELGIUM	9 670 588,76	1,72%
RF	NP	GREAT BRITAIN	5 323 164,44	0,95%
RF	NP	NETHERLANDS	3 337 056,28	0,59%
RF	NP	LUXEMBOURG	3 130 461,72	0,56%
RF	NP	LIBYA	3 052 676,20	0,54%
RF	NP	DENMARK	2 353 484,70	0,42%
RF	NP	IRAN	2 290 847,50	0,41%
RF	NP	JORDAN	1 990 883,77	0,35%
RF	NP	UNITED ARAB EMIRATES	1 257 017,76	0,22%
RF	NP	Others	3 652 249,94	0,65%
		<b>Total</b>	<b>561 490 599,85</b>	<b>100%</b>

9. Breakdown of foreign investment in UCITS shares by investor type and UCITS classification

		Securities	Contractual	Diversified	Monetary	ST Bonds	M&LT Bonds	Overall
NRF	Cor	<b>0</b>	<b>3682124,48</b>	<b>0</b>	<b>40013257,6</b>	<b>54615855,9</b>	<b>0</b>	<b>98 311 238</b>
		0%	3%	0%	8%	14%	0%	7%
	NP	<b>4 674 938</b>	<b>2 242 608</b>	<b>8 796 349</b>	<b>108 295 890</b>	<b>97 794 656</b>	<b>32 823 416</b>	<b>254 627 857</b>
		10%	2%	21%	23%	25%	10%	18%
RF	Cor	<b>3282338,4</b>	<b>0</b>	<b>0</b>	<b>31560566,1</b>	<b>0</b>	<b>0</b>	<b>34 842 904</b>
		7%	0%	0%	7%	0%	0%	3%
	NP	<b>28 651 098</b>	<b>15 740 184</b>	<b>13 194 073</b>	<b>203 524 816</b>	<b>156 425 876</b>	<b>143 954 552</b>	<b>561 490 600</b>
		59%	13%	31%	43%	41%	46%	41%
MRA	NP	<b>11 634 554</b>	<b>100 680 856</b>	<b>20 690 904</b>	<b>88 137 725</b>	<b>75 195 561</b>	<b>137 094 796</b>	<b>433 434 395</b>
		24%	82%	48%	19%	20%	44%	31%
Overall total		<b>48 242 928</b>	<b>122 345 772</b>	<b>42 681 327</b>	<b>471 532 254</b>	<b>384 031 949</b>	<b>313 872 764</b>	<b>1 382 706 995</b>