

Casablanca Weekly Report

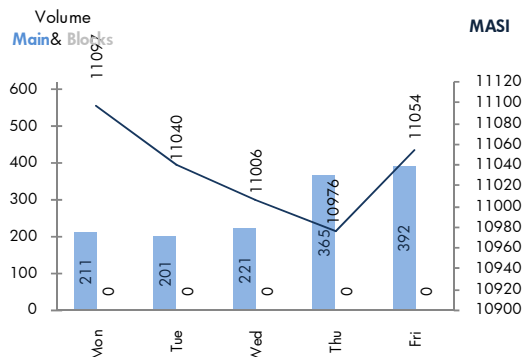
Week from 15 to 19 February 2010

Exchange rate	Weekly change		
1 MAD / EUR	0.090	▼	-0.33%
1 MAD / USD	0.126	▼	-0.98%

Market	Weekly change		
Daily ave volume (kMAD)	277 983	▲	+23.44%
Capitalisation (kMAD)	537 919 971	▲	+0.56%

Index	Weekly change	YTD	YOY	
MASI	11 053.55	-0.39%	+5.84%	+3.35%
MADEX	8 988.53	-0.27%	+6.19%	+2.27%

Index and volumes



The week on the market

- The MAS Index slipped back slightly in the week, closing on a loss of 0.39% at **11 053.55 points**. Losses on the brewers and the real estate sector outweighed gains in mining and IT.
- The weekly volume traded was up 23% from the previous week, and showed a daily average of 278 mMAD (35 mUSD). There were no block trades.

Company news

- Alliances** is to issue bonds to the value of 1 bnMAD (126 mUSD). The bonds are reserved for institutional investors, who may subscribe from 26 February to 2 March. The bonds have a period of 5 years, pay a coupon of 5.4%, and investors have the option of converting them into ordinary shares.
- The **HCP** estimates the increase in consumer prices from December to January at 0.2%. Food prices went up 0.3% and non-food items 0.2%.
- Wafa Assurance** has published its figures for the full year 2009: turnover went up 3.5% (showing much slower growth than the previous year), technical non-life income went up 57% to 933 mMAD (118 mUSD) partly thanks to a 137 mMAD increase in operating income, but mainly thanks to the capital gains realised through the sale of 24% of **Crédit du Maroc** to **Crédit Agricole**. Technical life income was 55.4 mMAD (7 mUSD), down from 170 mMAD in 2008, because the insurer preferred to maintain more latent capital gains in the investments on the life business, meaning that income from those investments in 2009 was lower. Net profit was 677 mMAD (85 mUSD), up 44.9% from 2008. The board has proposed paying out a 70 MAD per share dividend, including a 20 MAD exceptional dividend.

Sector indices

Sector	Index	Weekly change
Banking	2 600.95	▲ +0.6%
Consumer credit	1 308.90	▲ +0.7%
Insurance	2 275.94	▲ +5.4%
Holding	1 613.78	▲ +0.4%
Real estate	391.39	▼ -2.5%
Oil and gas	1 474.58	▼ -1.3%
Pharmaceutical	1 256.13	▼ -0.1%
Chemical	952.12	▲ +1.5%
Mining	1 437.49	▲ +4.4%
Food and beverage	1 777.31	▼ -3.2%
Construction	1 785.70	▼ -0.7%
Industrial	868.22	▲ +0.1%
Transport	1 001.30	▲ +3.2%
Retail	3 099.90	▼ -0.1%
IT	1 431.86	▲ +9.1%

Stock news

- Again, and for the 4th week in a row, **Addoha** was the most traded stock. A total of 172 mMAD (22 mUSD) traded on the ticker, 12% of the market total. News of Addoha's projects in social housing have renewed interest in the stock.
- After publishing its 2009 figures, **Matel** went up 8.75% in trading worth 22 mMAD (3 mUSD). Even after a YTD gain of 30%, the stock is still trading at a PE of 10.7x.
- Mining stock **CMT** went up nicely for the third consecutive week, gaining 11% with 110 mMAD (14 mUSD) traded, or 7.9% of the market's total.
- Having announced the goal of doubling its turnover by 2015, **Managem** has seen big volumes traded. In the week it traded 123 mMAD (15 mUSD), or 9% of the market's total.

Highest relative volumes

Stock	Volume (kMAD)	% change to previous	Weekly change
BRANOMA	1 809	300%	-5.96%
UNIMER	2	300%	-3.44%
CDM	18 872	271%	+12.16%
M2M GROUP	10 583	255%	+7.54%
CIMENTS DU MARC	136 256	241%	+0.00%

Highest volumes

Stock	Volume (kMAD)	% of mkt volume
ADDOHA	172 137.0	12.4%
CIMENTS DU MARC	136 255.7	9.8%
MANAGEM	122 615.9	8.8%
ATTIJARIWAFABAI	114 001.5	8.2%
CMT	109 882.7	7.9%

Top five

Stock	Weekly change	Volume (kMAD)	Closing (MAD)	P/E 2008
CDM	▲ 12.16%	18 872.4	830.00	19.55
HPS	▲ 11.77%	63 874.4	826	14.1
CMT	▲ 11.11%	109 882.7	1 300	10.0
MATEL PC MARKET	▲ 8.75%	22 232.4	479	10.7
MICRODATA	▲ 8.43%	5 991.2	541	9.0

Bottom five

Stock	Weekly change	Volume (kMAD)	Closing (MAD)	P/E 2008
BRANOMA	▼ -5.96%	1 808.7	2 351	16.2
SBM	▼ -5.88%	1 194.4	3 200	23.1
BERLIET	▼ -5.64%	243.0	282	22.7
ZELLIDJA	▼ -4.67%	72.4	1 001	16.9
UNIMER	▼ -3.44%	1.7	870	14.1

Company news

- Like its subsidiary Wafa Assurances, **Attijariwafa Bank** published its 2009 figures on Friday. Consolidated net profit was up 26.2%, a very decent showing, but in the long term the imbalance between deposit growth and loan growth may result in a refinancing headache, especially since the group already has quite a bit of bonds outstanding. In 2009 resources grew 1.8% and loans 27%. Interest margin accounted for 56% of NBI and only went up 5.8%, as interest on loans was reduced slightly. Commission margin went up 2.4% and accounted for 16.6% of NBI over the full year. Income from market activities more than doubled to 3.07 bnMAD (390 mUSD), and was the main driver of the 21% growth in NBI to 13.2 bnMAD (1.7 bnUSD). The most lucrative market deal in 2009 was profit from the sale of part of **Wafasalaf** and **Crédit Du Maroc** to **Crédit Agricole France**. The cost to income ratio dropped from 44.2% in 2008 to 40.8% in 2009, mainly thanks to the big income from market activities. The cost of risk came in at just under a billion dirhams, up 56% despite the lower NPL ratio (5.3% compared to 5.5% in 2008). Net profit group share was up 26.4% to 3.9 bnMAD (4.9 bnUSD), giving the stock a PE of 14 at Friday's closing price of 285 MAD. The company is to pay out a dividend of 6 MAD per share, up 20% from 2008.
- The two leading IT wholesalers, **Distrisoft** and **Matel**, have published their 2009 figures. Distrisoft's turnover totalled 529.3 mMAD (67 mUSD), up 5.3% from 2008. Operating income was down 24.5% to 27.3 mMAD (3.4 mUSD), owing to a drop in operating margin from 7.2% to 5.16%, a consequence of increased competition. WCN was 209 700 MAD, up 60% from 2008. Financial income was up sharply, from 3.3 mMAD to 12.5 mMAD (1.6 mUSD), mainly thanks to capital gains from the shares held as part of the share buyback programme, and this made up for the lower operating income and resulted in stable net profit at 25.1 mMAD (3.2 mUSD), giving a net margin of 4.74%. Matel's turnover was 1.17 bnMAD (150 mUSD), of which 140 mMAD came from export sales (exports were up 12% from 2008). Operating income was down 12.7% to 53.1 mMAD (6.7 mUSD), as a consequence of relatively rapid 30% growth in external costs, which drove operating margin down to 4.5%. WCN was 442.2 mMAD, up 13.6%. Thanks to much higher financial income — 18.9 mMAD (2.4 mUSD) instead of 4.1 mMAD— and a doubling of gains from currency operations, financial profit was 12.6 mMAD (1.6 mUSD), compared to a 11 mMAD loss in 2008. Net profit for the year was 51.3 mMAD (6.5 mUSD), up 38.4% from the previous year, and resulting in net margin of 4.4%.