Notice N° AV-2019-008

(Only the french version prevails)

Event	Indicative auction price calculation

- NOTICE SUBJECT

Indicative auction price calculation

- REFERENCES

In accordance with the Royal Decree (Dahir) No. 1-93-211 dated September 21, 1993 relating to the Stock Exchange, as modified and completed by Laws No. 34-96, 29-00, 52-01 and 45-06, namely Section 7 ;

Considering the provisions of the Stock Exchange Regulation, approved by Order of Economy and Finance Ministry No. 1268-08 dated July 7, 2008 as modified and completed by Order No.1156-10 of April 7, 2010 No.30-14 of Janaury 6, 2014 and No.1955-16 of July 4, 2016 namely Sections 3.4.12 et 3.4.14;

The following has been decided:

- ARTICLE 1

The indicative auction price is calculated as follows :

1- If there is at least a limit order in the central market, an indicative auction price is calculated according to the following four steps:

- The calculated price is the one that maximizes the number of shares traded;

- If two or more prices are determined according to the first criterion, the retained price is the one that minimizes the number of unserved shares;

- If the above process produced several auction prices, the balance direction is taken into account in determining the auction price :

    - The auction price is stipulated at the highest of these prices if the balance direction is on the buyer's side for all these levels (excess demand);

    - The auction price is stipulated at the lowest of these prices if the balance direction is on the seller's side for all these levels (excess supply);

- In case of buy and sell orders that minimize the number of unserved shares, the highest buy prices and the lowest sell prices are considered in the following step;

- In the absence of unserved shares, the following step is used.

- If two or more prices are kept during the previous step, the auction price would be the closest to the last traded price, or failing that, to the reference price.

- If two prices are close to the last traded price, or failing that, to the reference price, the higher of the two is selected as auction price.

2 - If there is no limit order in the central market (only market orders in both directions), the last traded price, or failing that, the reference price shall be used as auction price.

ARTICLE 2

During the closing auction call session, in addition to the methods of calculating the indicative auction price described in section 1 above, the following rules also apply :

- Buy orders that are below the lower static circuit breaker and sell orders that are higher to the upper static cricuit breaker are not taken into account for the calculation of the auction price and are not part of the executions ;

- The buy orders above the upper static circuit breaker are considered hen calculting the auction price, as orders denominated to this threshold and are executed according to their originial price (price priority)

- Sell orders below the lower static circuit breaker are considered, when calculating the auction price, as orders denominated to this threshold and are executed according to their original price (price priority)

ARTICLE 3

 The current notice repeals and replaces notice No139/16

ARTICLE 4

The current notice will come into effect as from 18/01/2019.