



- ...A strong rally all over the market...
- ...Takeover waves reviving trades for small caps...
- ...Banking equities holding course on earnings momentum...

Tunis Stock Exchange main index TUNINDEX recorded a whopping 48.38% to its highest level ever at 4,291.72 in 2009 on the back of new momentum peaks across sectors. Meanwhile, the value of shares traded reached TND 1.8 billion by end of 2009 vs. TND 2.1 billion the previous year given the slowdown of IPOs' pace in 2009.

The trading activity reached a new stage of maturity in 2009 as substantiated by increasing investors' appetite for medium and large caps and a much diversified approach for stock picking among traders lowering systemic risks and enlarging trading scope.

Banking equities (50.4% of total market capitalization) were the most active stocks with 42.4% of the total value of shares traded. Either privately-owned and public banks staged a strong rally over 2009 topped by Amen Bank (up 78.74% to TND53.000) and BIAT (up 73.80% to TND64.100) as investors took comfort from improving financials following effective provisioning measures and better debt collection practices.

Attijari Bank was one of the bright stars of the market after jumping 62.25% to TND21.500 in 2009 on strong volume. The bank recorded healthy financial results as of 30 September 2009 with Net Banking Income up 10.1% y-o-y to TND 103.5 million. The bank looks leveraged to an impressive upturn in its activity taking advantage from its large network and the recent strengthening of its capital base alongside with an enhanced management model inherited from its main shareholder Morocco's AttijariWafa Bank.

UIB led the pack in terms of value of trades amid a strong interest by local groups on the shadow of improving financials due to a much consistent loan policy and capital consolidation. The stock gained 43.53% to TND18.300 in 2009 with a value of trades of TND138.96million.

The list of biggest advancers in Tunis market was dominated by a set of small cap equities which soared in 2009 in the wake of a wave of high-profile takeovers initiated by diverse local groups.

The glass maker SOTUVER was in the limelight on speculation that the company's growth will gather pace following its takeover by Bayahi Group late 2008. The stock leaped 380.77% to TND99.000 over 2009.

In the food industry, SOPAT bounced back from last year's big losses on renewed buying interest of some local investors. The stock soared 245.85% to close at TND21.600 by the end of 2009.

Cars' filters producer GIF Filter experienced a strong rally in late 2009 as investors were hopeful about the takeover of the company by Mzabi family achieved in the fourth quarter of the year. The company shares surged 175.93% to TND7.050 over 2009.

The acquisition of the electrical parts maker SIAME by Ben Ayed group cheered investors as they thought that it will be a precursor to a recovery of the company's activity. The company shares climbed 151.49% to TND3.370.

Supermarket chains Magasin General and Monoprix were among the biggest winners, delivering both triple-digit growth but for different reasons. While shares in Magasin General jumped 135.70% to TND129.000 on a speculative move, shares of its competitor Monoprix rose 106.07% to TND232.0 as the confidence on the group prospects was on the rise.

Leasing equities surged in a relatively active trading. The sector activity has been growing at a sustained pace for the last few years. Furthermore, margins and prudential ratios have been constantly improving for the five listed companies of the sector. Attijari Leasing was up 82.67% to TND23.710. El Wifack Leasing rose 68.01% to TND13.550. CIL took on 67.99% to TND28.690. ATL gained 53.63% to TND5.350. Tunisie Leasing added 18.43% to TND25.000.

The national airlines carrier Tunisair struggled for direction during 2009 to close 4.17% higher at TND2.490 on concerns that the expected decline of the activity added to the strong hedging losses reported in 1H2009 may overshadow the expected gain in the fuel bill.

Few stocks lagged behind the market but losses were relatively thin. Negative sentiment was the main driver for these stocks.

Cement producer Les Ciments de Bizerte which was freshly listed during the last quarter of the year was undermined by a general opinion that the stock was overvalued. The company shares plummeted 27.83% to TND8.300.

Ceramic tiles and stoneware manufacturer SOMOCER continued its negative run, easing 13.92% to TND1.880. Among issues faced by the company in 2009, the surge in energy cost and the insolvency of some of its clients.

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