

# Exploring fundamental anomalies: Evidence from the Moroccan stock market

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## Abstract:

Fundamental anomalies are explored, for the first time, in the Moroccan stock market. The sample includes non-financial companies from July 2001 to June 2020. We carry out, initially, sorts of returns on anomaly indicators, then, we follow through a regression analysis using a fixed-effect model and the system generalized method of moments methodology. The findings emphasize a significantly positive relationship between returns and the book-to-market ratio and a significantly negative relationship between returns and each of the price-to-earnings and the price-to-cash flow ratios. Regarding the size and the leverage effects, the findings highlight their absence. Finally, we cannot ascertain the existence of a positive or negative price-to-sales effect considering the contradictory results of the tests.

## Keywords

Fundamental anomalies; fixed-effect model; dynamic panel model; SGMM methodology; Moroccan stock market.

**JEL Classification:** G11, G12

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