



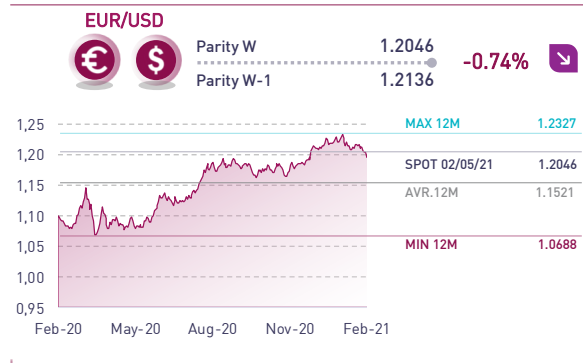
WEEKLY MAD INSIGHTS

CURRENCIES

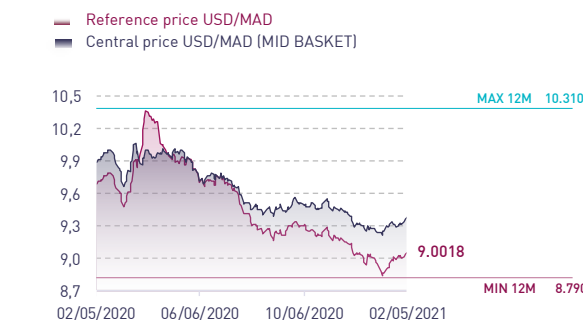
WEEKLY VARIATIONS

		+0.52%			+0.62%
USD/MAD		9.0018	CAD/MAD		7.0316
		-0.82%			+0.41%
EUR/MAD		10.7779	GBP/MAD		12.3140
		-0.32%			-1.11%
JPY/MAD		8.5220	CHF/MAD		9.9655

INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
[Basket ⁽¹⁾ effect]	+0.85%	-0.49%
[Liquidity ⁽²⁾ effect]	-0.33%	-0.33%

(1) Impact of the variation in the EUR/USD parity
(2) Impact of the variation in the liquidity spread (Supply / Demand)

Banks Foreign Exchange position ⁽³⁾W **MAD 5,545 MN**
 Banks Foreign Exchange position W-1 **MAD 5,571 MN**

(3) Calculated over the period from 01/28/2021 to 02/03/2021

The euro shows signs of slowdown

The EUR/USD parity reached 1.20 this week against 1.21 a week earlier. The euro even fell below \$ 1.20 on February 4th, for the 1st time since December 1st, 2020.

The euro remains penalized by the restrictions put in place following the worrying developments in the Covid-19 variants within England and South Africa.

Across the Atlantic, the outlook are more optimistic with the ISM manufacturing figures which show positive signs regarding the US economy recovery.

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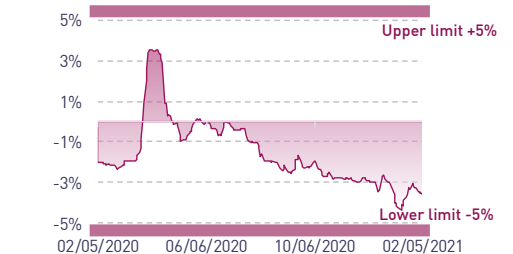
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**Attijari
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Spread USD/MAD
02/05/2021: -3.602%
01/29/2021: -3.283% **-32.0 BPS**



USD/MAD parity reaches 2-month high

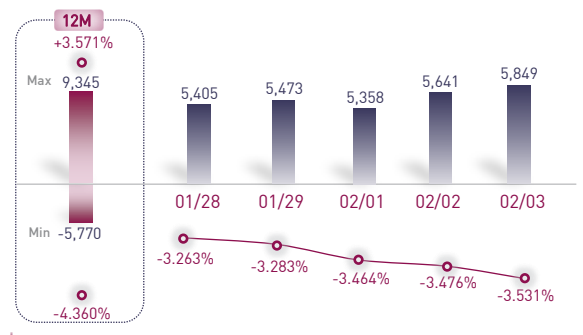
During this week, the dirham depreciation against the dollar continues. Indeed, the USD/MAD parity crossed upwards the threshold of 9.0, its highest since early December 2020.

At the same time, the banks' foreign exchange position is almost stabilized at around MAD 5.5 Bn due to a visible balance between import/export flows.

Liquidity spreads, measuring the spread between the reference price and the central price of MAD, widened by 32 BPS in one week. It has reached -3.60% against -3.28% a week earlier.

In the end, the market effect on the MAD is negative at -0.33%, against a significant basket effect of + 0.85%.

Spread USD/MAD (Gap between Reference price Vs. Central price)
Bank foreign exchange position, in MAD Mn



VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.71%	4.56%	6.91%	8.35%	8.84%	5.45%
2 MONTHS	5.91%	4.12%	6.35%	6.94%	13.02%	5.15%
3 MONTHS	5.74%	3.84%	6.41%	6.26%	11.49%	5.75%

Dare to hedge the MAD...!

Taking into account the MAD depreciation movement against the dollar observed for several weeks, hedging operations initiated in 2021 have demonstrated their relevance.

With the sustainability of this trend over a 3-month horizon, we recommend importers hedging dirham against the dollar.



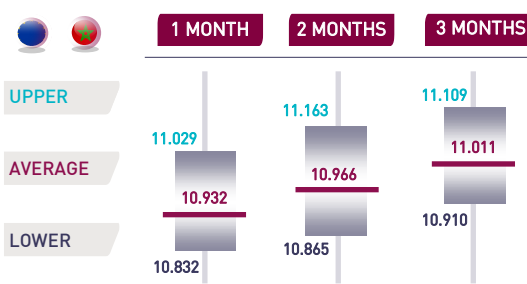
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q1-21	Q2-21	Q3-21	Q4-21	2022	2023	2024	2025
MEDIAN		1.22	1.23	1.24	1.25	1.25	1.25	1.23	1.24
AVERAGE	1.2046	1.22	1.23	1.23	1.24	1.24	1.24	1.23	1.24
+HIGH	02/05/2021	1.25	1.30	1.33	1.35	1.30	1.29	1.30	1.30
+LOW		1.19	1.17	1.15	1.15	1.10	1.18	1.18	1.18
FORWARD		1.22	1.20	1.20	1.21	1.22	1.23	1.25	1.27

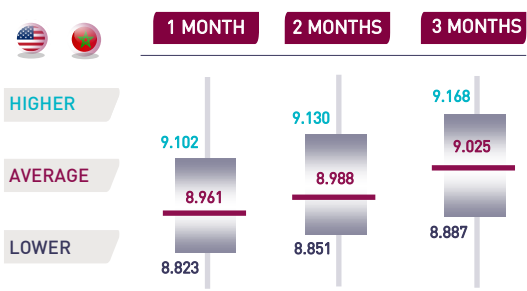
International brokers expectations regarding the EUR/USD parity remain bullish. As a matter of fact, the EUR/USD parity would reach 1.22 in Q1-21, against 1.20 currently. This would change to 1.24 by the end of 2021. During the 2022-2025 period, it would stabilize on average 1.24, in line with last week's forecast.

Central banks' optimism about their economies recovery, the expected slowdown in new coronavirus cases and the implementation of the large-scale stimulus packages by the Biden administration are the main factors which will impact the currencies volatility in the future.

EUR/MAD AND USD/MAD OUTLOOK - AGR



Based on EUR/USD Bloomberg forecast for Q1-20



Based on EUR/USD Bloomberg forecast for Q1-20

Given that the dirham's depreciation against the dollar reaches 2-month high and taking into account the expected import flow catching-up, we maintain our 1, 2 and 3 months forecasts.

The MAD would appreciate slightly against the dollar over 1 and 2 month horizons.

However, it would depreciate against the dollar within 3 months. Against the euro, the MAD would depreciate over the same periods.

In more detail, the USD/MAD parity would stand at 8.96, 8.99 and 9.03 in 1, 2 and 3 month horizons, against 9.00 currently. Therefore, the MAD would appreciate against the dollar by 0.5% and 0.2% in 1 and 2 month horizons. On the other hand, it would depreciate by 0.3% against the dollar within 3 months.

At the same time, the dirham is expected to depreciate against the euro over the same periods, but at lower levels. The EUR/MAD parity would reach 10.93, 10.97 and 11.01 against initial forecasts of 11.01, 11.02 and 11.05 within 1, 2 and 3 month horizons. Depreciation levels would reach 1.4%, 1.7% and 2.2% at 1, 2 and 3 month horizons.

MAD DASHBOARD (YTD PERFORMANCE)

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.52%	-0.82%	-0.32%	+0.62%	+0.41%	-1.11%
1 MONTH	+2.06%	-0.50%	-0.65%	+1.51%	+2.63%	-0.56%
YTD 2021	+1.09%	-1.44%	-1.37%	+0.59%	+1.27%	-1.47%

Prices as of 02/05/2021



APPENDICES

DATA AS OF 05 FEBRUARY 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q1-21	Q2-21	Q3-21	Q4-21	2022	2023	2024
FORECAST	USD/JPY	104	104	103	103	106	108	103
FORWARD	105	105	105	105	105	104	104	102
FORECAST	USD/CAD	1.27	1.27	1.25	1.25	1.25	1.27	1.25
FORWARD	1.28	1.28	1.28	1.28	1.28	1.28	1.29	1.29
FORECAST	USD/CHF	0.89	0.89	0.89	0.89	0.91	0.93	0.95
FORWARD	0.90	0.90	0.90	0.90	0.89	0.88	0.87	0.86
FORECAST	GBP/USD	1.36	1.37	1.38	1.40	1.40	1.43	1.43
FORWARD	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.38

APPENDIX 2 : MAIN BROKERS FORECASTS FOR THE EUR/USD PARITY

	Date	Q1-2021	Q2-2021	Q3-2021	Q4-2021	2022
ABN Amro	02/04/21	1.20	1.19	1.17	1.15	1.10
Ebury	02/04/21	1.22	1.23	1.24	1.25	1.27
PNC Financial	02/04/21	1.22	1.25	1.23	1.22	1.20
Cinkciarz.pl	02/03/21	1.19	1.22	1.24	1.21	1.18
Swedbank	02/03/21	1.19	1.22	1.24	1.24	1.22
Alpha Bank	02/02/21	1.20	1.22	1.23	1.25	1.26
ING Financial Markets	02/02/21	1.22	1.25	1.28	1.30	1.25
Australia & New Zealand Banking Group	02/01/21	1.22	1.24	1.26	1.28	1.30
Ballinger & Co.	02/01/21	1.22	1.23	1.24	1.25	1.25
TMS Brokers	01/29/21	1.23	1.24	1.26	1.25	1.27
X-Trade Brokers Dom Maklerski	01/28/21	1.22	1.21	1.19	1.21	1.24
Argentex LLP	01/27/21	1.19	1.20	1.22	1.20	1.15
DNB	01/27/21	1.23	1.22	1.21	1.20	1.17
Mouvement Desjardins	01/27/21	1.21	1.23	1.24	1.24	1.23
Scotiabank	01/21/21	1.23	1.25	1.26	1.26	1.24
Skandinaviska Enskilda Banken	01/21/21	1.23	1.25	1.27	1.27	1.28
Banco Bilbao Vizcaya Argentaria	01/20/21	1.23	1.21	1.22	1.23	1.25

Data as of 02/05/2021

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