



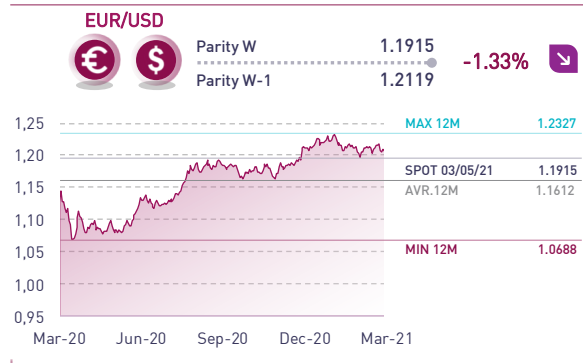
WEEKLY MAD INSIGHTS

CURRENCIES

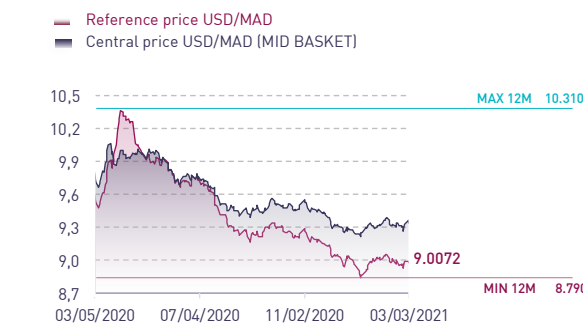
WEEKLY VARIATIONS

		+0.77%			+0.18%
USD/MAD		9.0072	CAD/MAD		7.0693
		-0.78%			-0.16%
EUR/MAD		10.8271	GBP/MAD		12.4450
		-1.22%			-1.75%
JPY/MAD		8.4008	CHF/MAD		9.8690

INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	+0.98%	-0.57%
Liquidity ⁽²⁾ effect	-0.21%	-0.21%

(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 4,696 MN**
 Banks Foreign Exchange position W-1 **MAD 4,555 MN**

(3) Calculated over the period from 02/25/2021 to 03/03/2021

The dollar uptrend continues

The EUR/USD parity is experiencing very high volatility this week. The dollar traded higher against the major currencies. Thus, the EUR/USD parity crossed down the threshold of 1.20 to 1.195 against 1.208 a week earlier.

The surge in US Treasury yields following employment figures' release does not seem to worry the Fed. In fact, the dollar still benefits from the Federal Reserve's confidence in the US economy recovery. In addition, the euro was penalized this week by the unexpected decline in German industrial production during January 2021.

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Spread USD/MAD 03/05/2021 **-3.778%**
02/26/2021 **-3.578%** **-20.0 BPS**

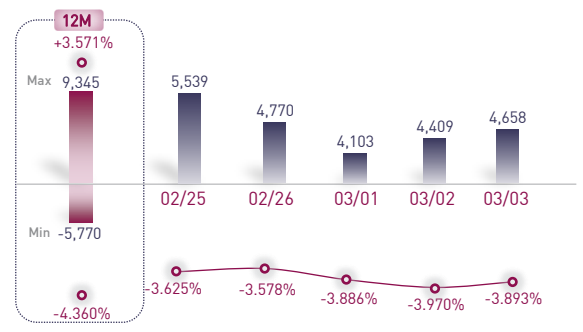


The USD/MAD parity goes back above MAD 9.0

The dirham depreciation against the dollar continues and the USD/MAD parity goes from 8.94 to 9.01 in one week, an increase of 0.77%. Indeed, despite the liquidity spread widening between the MAD central price and reference price by 20.0 BPS to -3.78% against -3.58% a week earlier, the market effect remains limited to -0.21%. In this sense, the MAD depreciation is mainly explained by a basket effect of +0.98%, following the significant evolution of the EUR/USD parity this week.

The foreign exchange market liquidity was marked by a balance of Import / Export operations. In this context, the bank foreign exchange position average stabilized around MAD 4.6 Bn.

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	6.33%	4.52%	5.65%	5.20%	7.72%	7.48%
2 MONTHS	5.58%	4.54%	6.38%	7.03%	8.10%	6.56%
3 MONTHS	6.05%	4.25%	6.19%	6.42%	11.44%	6.09%

Interest in MAD coverage is confirmed

In a context marked by dirham depreciation, the relevance of the MAD hedging strategies initiated previously, is confirmed.

Given a basket effect greater than the market effect and the high volatility of the EUR/USD parity, we maintain our recommendation to importing Corporates to initiate hedging strategies on the MAD.



WEEKLY MAD INSIGHTS

CURRENCIES

11 | MARCH
2021

Week from 03/01/2021 to 03/05/2021

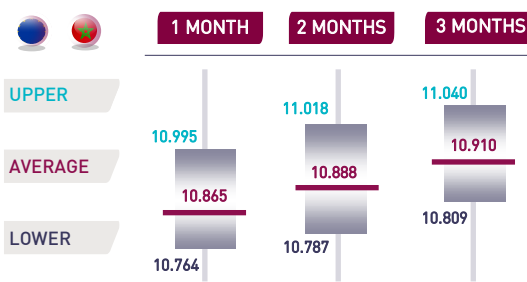
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-21	Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
MEDIAN		1.21	1.23	1.24	1.24	1.25	1.24	1.22	--
AVERAGE	1.1915	1.21	1.22	1.23	1.23	1.24	1.23	1.22	--
+HIGH	03/05/2021	1.26	1.28	1.30	1.28	1.31	1.29	1.25	--
+LOW		1.16	1.15	1.14	1.13	1.10	1.18	1.18	--
FORWARD		1.19	1.20	1.20	1.20	1.21	1.22	1.25	1.27

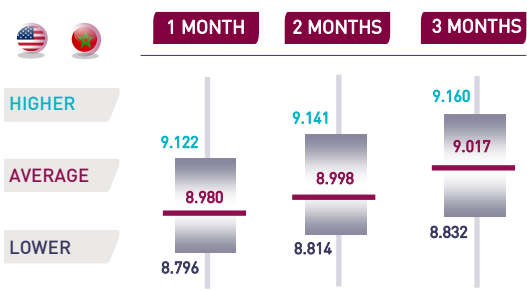
The main international brokers are maintaining their bullish forecasts concerning the EUR/USD parity, waiting for the ECB meeting scheduled for this Thursday, March 11th, 2021. In fact, the ECB President should decide on (1) the flexibility of the emergency purchasing program (PEPP) as well as (2) the growth and inflation projections in the Euro Zone. The EUR/USD pair is forecast to reach 1.21 in Q2-21, before moving to 1.23 by the end of 2021. It would stabilize at this level before falling to 1.22 in 2024.

The key theme guiding the EUR/USD pair's forecast this week remains the ECB press release and the euro movements that may result from it. In a context marked by the launch of vaccination campaigns as well as the adoption of the \$ 1.900 Bn stimulus plan in the US, the attraction of relatively "riskier" currencies, particularly the euro, would be accentuated at the medium short term. In the long term, the recovery of the Euro Zone is expected to be slower than that of the United States, bringing the EUR/USD pair back to its current levels by 2024.

EUR/MAD AND USD/MAD OUTLOOK - AGR



Based on EUR/USD Bloomberg forecast for Q2-20



Based on EUR/USD Bloomberg forecast for Q2-20

Taking into account the dirham depreciation to the levels initially forecasted over the last few weeks, as well as the maintenance of the EUR/USD forecasts internationally, we keep our MAD evolution forecasts on the short term unchanged.

The MAD shows a slight appreciation against the dollar over 1 and 2 month horizons and a depreciation over 3 months. Against the euro, it should depreciate over the 1, 2 and 3 month horizons compared to current prices.

The MAD would appreciate against the dollar by 0.3% and 0.1% over 1 and 2 month horizons and would depreciate by 0.1% over 3 months. The USD/MAD parity would be at 8.98, 9.00 and 9.02 over 1, 2 and 3 month horizons, against 9.01 currently.

The levels of the dirham depreciation against the euro would reach 1.1%, 1.3% and 1.6% over 1, 2 and 3 months. Therefore, the EUR/MAD pair would stand at 10.87, 10.89 and 10.91 against a current price of 10.74.

MAD DASHBOARD (YTD PERFORMANCE)

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.77%	-0.78%	-1.22%	+0.18%	-0.16%	-1.75%
1 MONTH	+0.06%	-0.32%	-2.62%	+0.71%	+0.90%	-2.70%
YTD 2021	+1.15%	-1.76%	-3.96%	+1.31%	+2.19%	-4.13%

Prices as of 03/05/2021



APPENDICES

DATA AS OF 05 MARCH 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-21	Q3-21	Q4-21	2022	2023	2024	2025
FORECAST	USD/JPY	104	105	104	105	108	112	--
FORWARD	108	108	108	108	107	106	104	102
FORECAST	USD/CAD	1.26	1.26	1.25	1.25	1.28	--	--
FORWARD	1.27	1.27	1.27	1.27	1.27	1.28	1.28	1.29
FORECAST	USD/CHF	0.90	0.90	0.90	0.92	0.93	--	--
FORWARD	0.93	0.93	0.93	0.92	0.91	0.90	0.88	0.87
FORECAST	GBP/USD	1.39	1.39	1.41	1.44	1.43	1.45	--
FORWARD	1.38	1.38	1.38	1.38	1.38	1.39	1.40	1.41

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

	Date	Q2-2021	Q3-2021	Q4-2021	2022	2023
Rabobank	03/05/21	1.21	1.22	1.22	1.18	1.18
Swedbank	03/04/21	1.19	1.23	1.24	1.22	1.20
Landesbank Baden-Wuerttemberg	03/02/21	1.21	1.19	1.18	1.15	1.20
Banco Bilbao Vizcaya Argentaria	03/01/21	1.21	1.22	1.23	1.25	1.29
X-Trade Brokers Dom Maklerski	02/24/21	1.20	1.20	1.20	1.18	1.24
United Overseas Bank	02/19/21	1.23	1.24	1.24	1.26	1.24
NAB/BNZ	02/12/21	1.26	1.28	1.30	1.31	1.25
Mouvement Desjardins	01/27/21	1.23	1.24	1.24	1.23	1.20
BNP Paribas	01/18/21	1.24	1.25	1.25	1.30	1.32
Maybank Singapore	12/31/20	1.22	1.24	1.25	1.25	1.25
Standard Chartered	12/22/20	1.24	1.25	1.26	1.26	1.26
SCB Securities	12/18/20	1.30	1.25	1.28	1.32	1.25
Westpac Banking	12/14/20	1.24	1.25	1.26	1.27	1.25
Barclays	12/03/20	1.16	1.15	1.19	1.15	1.17
Intesa Sanpaolo	12/02/20	1.18	1.17	1.16	1.18	1.20
Commonwealth Bank of Australia	11/20/20	1.24	1.26	1.28	1.34	1.22
Raiffeisen	10/09/20	1.19	1.20	1.21	1.22	1.24

Data as of 03/05/2021

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