



WEEKLY MAD INSIGHTS

CURRENCIES

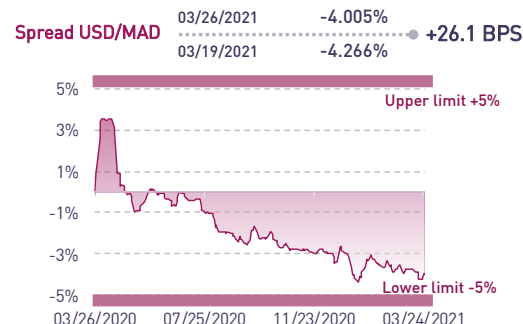
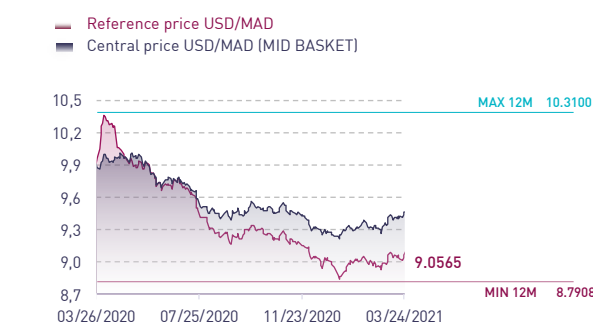
WEEKLY VARIATIONS

		+0.91%			+0.06%
USD/MAD		9.0565	CAD/MAD		7.1968
		-0.10%			-0.18%
EUR/MAD		10.6676	GBP/MAD		12.4710
		+0.21%			-0.43%
JPY/MAD		8.2602	CHF/MAD		9.6254

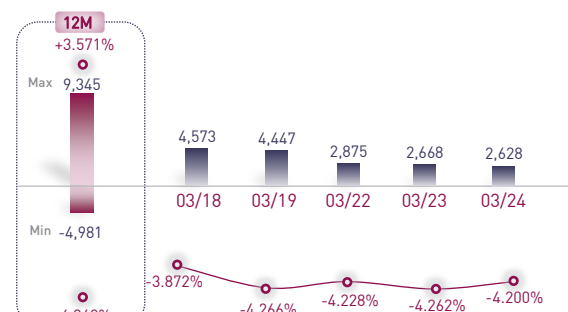
INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



Bank foreign exchange position at annual low

During this week, banks' foreign exchange position contracted to its lowest since the beginning of April 2020, i.e. MAD 2.6 Bn. As expected, this is justified by an increase in import flows. Under these liquidity conditions, the spread between the MAD benchmark price and its central price moves away from its lower band and narrows by 26.1 BPS, from -4.27% to -4.01%.

In the end, the MAD depreciates against the dollar, going from 8.98 to 9.06, i.e. an appreciation of the USD/MAD parity of + 0.91%.

This MAD depreciation can be explained mainly by a basket effect of + 0.64%, against a less significant market effect of + 0.27%.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	5.48%	4.14%	4.52%	7.65%	8.82%	7.03%
2 MONTHS	5.13%	3.92%	5.02%	6.55%	7.43%	6.28%
3 MONTHS	5.40%	4.29%	5.80%	6.96%	8.38%	6.26%

"Hedging", a real solution against volatility

The MAD volatility against the main reference currencies remains relatively high.

Taking into account the future evolution of the liquidity levels of the Moroccan foreign exchange market, we recommend that dollar exporters adopt an active hedging strategy over the next weeks.

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WEEKLY MAD INSIGHTS

CURRENCIES

31 | MARCH
2021

Week from 03/22/2021 to 03/26/2021

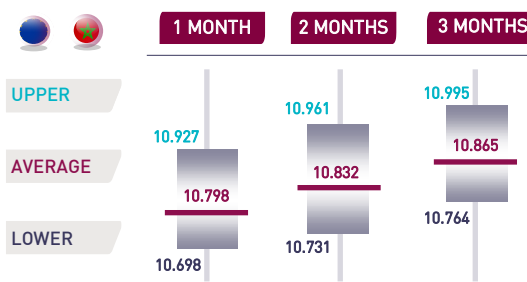
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-21	Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
MEDIAN		1.21	1.22	1.23	1.22	1.23	1.20	1.20	--
AVERAGE	1.1794	1.21	1.21	1.22	1.22	1.23	1.23	1.21	--
+HIGH	03/26/2021	1.25	1.26	1.37	1.35	1.34	1.34	1.24	--
+LOW		1.16	1.14	1.14	1.13	1.10	1.17	1.18	--
FORWARD		1.18	1.18	1.19	1.19	1.20	1.21	1.24	1.26

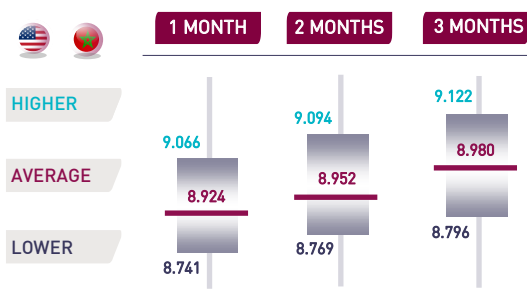
The main international brokers revised downward their bullish forecasts concerning the development of the EUR/USD parity. The consensus forecast anticipates parity levels of 1.21 over the next two quarters and 1.22 by the end of 2021. During 2022-2023, the pair EUR/USD is expected to reach 1.23 against an initial forecast of 1.24. This would return to 1.21 by 2024.

Despite the aggressive US monetary and fiscal policies to face the Covid-19 pandemic, the dollar's status as a safe haven currency strengthened. The share of the dollar in international reserves increased during the health crisis, justifying the confidence of several countries in this currency. In addition, the Fed declared for the 1st time since the pandemic started the gradual reduction of its stimulus measures as progress towards its objectives is made. This scenario would impact the rally of the dollar over the medium term.

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 that liquidity spreads stand at significant low levels and despite the dirham depreciation during this week, we maintained our scenario of MAD appreciation against the dollar, while revising slightly the two-month forecast.

We expect the MAD to appreciate against the dollar at 1, 2 and 3 month horizons. Against the euro, it would depreciate in the 1, 2 and 3 month horizons compared to its current level.

It should be recalled that BAM forecasts, during its last monetary policy meeting, a slight depreciation of the real effective exchange rate of 0.8% by 2021, under the effect of a domestic inflation level lower than that of partner countries.

The MAD would appreciate against the dollar by 1.5%, 1.2% and 0.9% in 1, 2 and 3 month horizons from the current level of 9.06. The USD/MAD parity would be at 8.92, 8.95 and 8.98 at 1, 2 and 3 month horizons.

The levels of the dirham depreciation against the euro would reach 1.2%, 1.5% and 1.9% over 1, 2 and 3 months. Therefore, the EUR/MAD pair would stand at 10.80, 10.83 and 10.87 against a current price of 10.67.

MAD DASHBOARD (YTD PERFORMANCE)

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.91%	-0.10%	+0.21%	+0.06%	-0.18%	-0.43%
1 MONTH	+1.32%	-1.47%	-1.67%	+1.80%	+0.21%	-2.47%
YTD 2021	+1.70%	-2.45%	-4.40%	+2.96%	+2.57%	-4.83%

Prices as of 03/26/2021



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APPENDICES

DATA AS OF 26 MARCH 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-21	Q3-21	Q4-21	2022	2023	2024	2025
FORECAST	USD/JPY	106	106	105	108	113	112	--
FORWARD	110	109	109	109	108	107	105	103
FORECAST	USD/CAD	1.26	1.25	1.25	1.25	1.22	1.3	--
FORWARD	1.26	1.26	1.26	1.26	1.26	1.27	1.27	1.27
FORECAST	USD/CHF	0.91	0.91	0.92	0.93	0.94	--	--
FORWARD	0.94	0.94	0.94	0.93	0.92	0.91	0.89	0.87
FORECAST	GBP/USD	1.39	1.39	1.40	1.44	1.46	1.45	--
FORWARD	1.38	1.38	1.38	1.38	1.38	1.39	1.39	1.41

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

	Date	Q2-2021	Q3-2021	Q4-2021	2022	2023
Rabobank	03/26/21	1.21	1.21	1.20	1.17	1.18
Swedbank	03/25/21	1.18	1.21	1.22	1.20	1.17
Landesbank Baden-Wuerttemberg	03/24/21	1.21	1.19	1.18	1.15	1.18
X-Trade Brokers Dom Maklerski	03/24/21	1.17	1.16	1.18	1.18	1.24
Mouvement Desjardins	03/18/21	1.20	1.21	1.22	1.19	1.20
Commonwealth Bank of Australia	03/09/21	1.24	1.26	1.28	1.34	1.34
Banco Bilbao Vizcaya Argentaria	03/01/21	1.21	1.22	1.23	1.25	1.29
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
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
Raiffeisen	10/09/20	1.19	1.20	1.21	1.22	1.24

Data as of 03/26/2021

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