



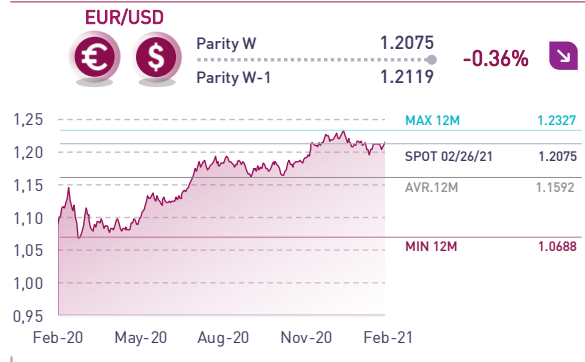
WEEKLY MAD INSIGHTS

CURRENCIES

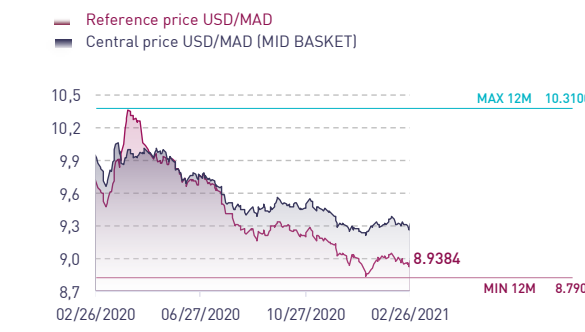
WEEKLY VARIATIONS

		+0.48%			+0.44%
USD/MAD		8.9384	CAD/MAD		7.0693
		+0.25%			-0.08%
EUR/MAD		10.8271	GBP/MAD		12.4450
		-0.53%			-0.83%
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	+0.14%	-0.08%
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 4,555 MN
Banks Foreign Exchange position W-1	MAD 5,439 MN

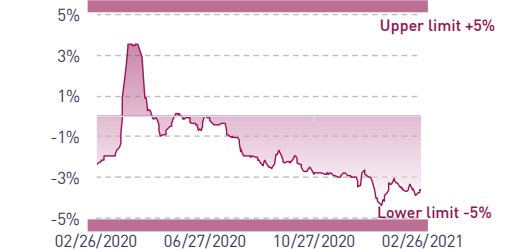
(3) Calculated over the period from 02/18/2021 to 02/24/2021

The dollar strengthens against the euro

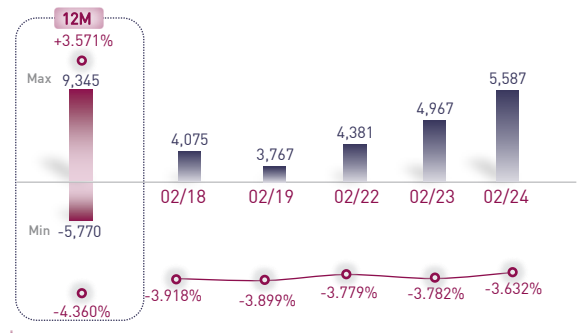
The dollar ended the week higher supported by hopes of the adoption of Joe Biden's \$ 1,900 Bn stimulus plan and the approval of the Johnson & Johnson vaccine. In this regard, the EUR/USD parity fell by -0.4% over the week, going from 1.212 to 1.208.

The dollar was penalized at the start of the week by the FED President's statements, who ruled out any immediate change in its monetary policy. In fact, the inflation risk and the rise in US bond rates fueled the higher expectations of Fed's key rates.

Spread USD/MAD	02/26/2021	-3.578%
	02/19/2021	-3.899%
		+32.1 BPS



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



A foreign exchange position at a 5 month low

The banks' foreign exchange position continue to contract to reach MAD 3.8 Bn in midweek, its lowest level since September 2020. This situation is explained by a continued inflow, widely anticipated, of import operations on the Moroccan foreign exchange market.

This week's liquidity conditions have led to a visible tightening of the spread between the MAD reference price and the central price by 32.1 BPS in one week, to -3.58%.

The dirham depreciated by -0.47% against the dollar, to 8.94 against 8.90 a week earlier. The USD/MAD parity change is explained by a market effect of + 0.33% combined with a basket effect of + 0.14%.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	5.28%	3.79%	5.67%	6.10%	7.22%	6.18%
2 MONTHS	5.59%	4.38%	6.45%	6.96%	8.70%	6.15%
3 MONTHS	5.94%	4.07%	6.24%	6.34%	11.18%	5.56%

Towards an intensification of MAD volatility

We anticipate a visible catching-up effect of import flows over the coming weeks. This would fuel the volatility of the USD/MAD parity.

We are seeing growing interest from local importers in order to implement hedging strategies over 3-month horizons.

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WEEKLY MAD INSIGHTS

CURRENCIES

03 | MARCH
2021

Week from 02/22/2021 to 02/26/2021

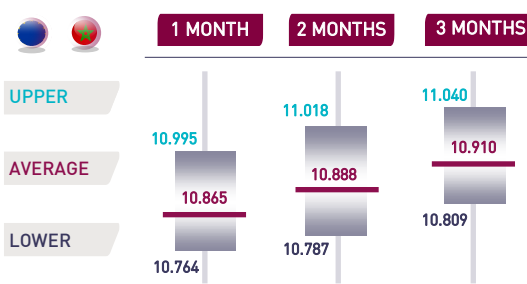
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-21	Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
MEDIAN		1.22	1.23	1.24	--	1.25	1.24	1.22	1.23
AVERAGE	1.2075	1.22	1.23	1.23	--	1.24	1.22	1.23	1.24
+HIGH	02/26/2021	1.26	1.28	1.30	--	1.31	1.27	1.30	1.30
+LOW		1.16	1.15	1.14	--	1.10	1.17	1.18	1.18
FORWARD		1.22	1.22	1.22	1.22	1.23	1.25	1.27	1.30

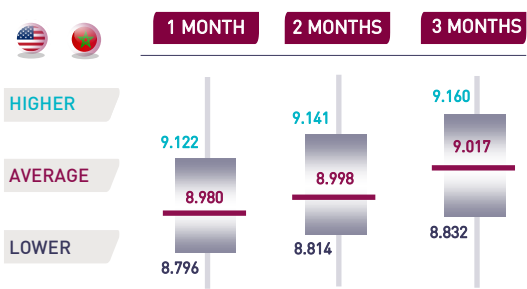
International brokers maintain bullish forecasts for the EUR / USD parity, at levels similar to those of last week. The EUR/USD parity would reach 1.22 in Q2-21, before moving to 1.23 at the end of 2021. By 2022-2025, it would average around 1.23.

The Fed chairman statements, expressing his commitment to keeping interest rates at their current level for another year or two, weighed on the US dollar over the short-term. While inflation expectations have been the main catalyst for the rise in BDT yields, the Fed's desire to maintain price movement moderately above 2% on the medium term is expected to drive yields lower in the US. Also, the significant increase in spending following the latest US stimulus plan is a downward factor regarding the dollar.

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

The forecast of a greater dynamic of import flows on the Moroccan foreign exchange market, combined with an initiation of the dirham depreciation movement against the dollar and the euro during this week, encourages us to keep our MAD depreciation scenario unchanged over our forecast horizon.

The MAD is expected to depreciate against the dollar and the euro at 1.2 and 3 month horizons against current prices.

The MAD would depreciate against the dollar by 0.5%, 0.7% and 0.9% at 1.2 and 3-month horizons. The USD/MAD parity would be at 8.98, 9.00 and 9.02 in 1, 2 and 3 month horizons, against 8.94 currently.

The depreciation levels of the dirham against the euro should reach 0.4%, 0.6% and 0.8% 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 10.83.

MAD DASHBOARD (YTD PERFORMANCE)

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.48%	+0.25%	-0.53%	+0.44%	-0.08%	-0.83%
1 MONTH	-0.33%	-0.50%	-2.77%	+0.43%	+1.56%	-2.15%
YTD 2021	+0.38%	-0.99%	-2.77%	+1.13%	+2.35%	-2.42%

Prices as of 02/26+/2021



APPENDICES

DATA AS OF 26 FEBRUARY 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-21	Q3-21	Q4-21	2022	2023	2024	2025
FORECAST	USD/JPY	104	103	104	107	108	--	--
FORWARD	107	106	106	106	105	104	102	100
FORECAST	USD/CAD	1.27	1.25	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	0.89	0.89	0.90	0.90	0.93	--	--
FORWARD	0.91	0.90	0.90	0.90	0.89	0.88	0.86	0.85
FORECAST	GBP/USD	1.38	1.39	1.40	1.42	1.43	--	--
FORWARD	1.40	1.40	1.40	1.40	1.40	1.40	1.41	1.43

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

	Date	Q2-2021	Q3-2021	Q4-2021	2022	2023
X-Trade Brokers Dom Maklerski	02/24/21	1.20	1.20	1.20	1.18	1.24
Rabobank	02/22/21	1.21	1.22	1.22	1.19	1.18
United Overseas Bank	02/19/21	1.23	1.24	1.24	1.26	1.24
Swedbank	02/18/21	1.19	1.21	1.22	1.20	1.17
NAB/BNZ	02/12/21	1.26	1.28	1.30	1.31	1.25
Landesbank Baden-Wuerttemberg	02/09/21	1.21	1.22	1.23	1.25	1.27
Mouvement Desjardins	01/27/21	1.23	1.24	1.24	1.23	1.20
Banco Bilbao Vizcaya Argentaria	01/20/21	1.21	1.22	1.23	1.25	1.29
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 02/26/2021

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