



WEEKLY MAD INSIGHTS

CURRENCIES

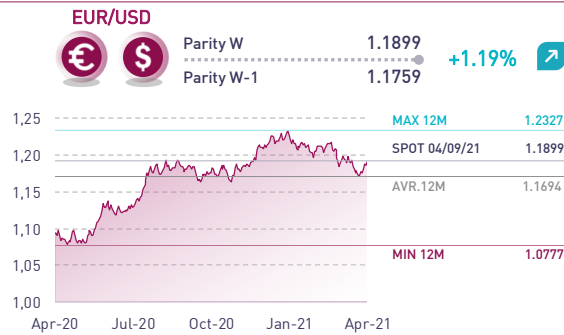
14 APRIL 2021

Week from 04/05/2021 to 04/09/2021

WEEKLY VARIATIONS

		-0.81%			-0.86%
USD/MAD		8.9730	CAD/MAD		7.1401
		+0.14%			-1.63%
EUR/MAD		10.6707	GBP/MAD		12.3150
		-0.05%			+0.81%
JPY/MAD		8.1863	CHF/MAD		9.6953

INTERNATIONAL HIGHLIGHTS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	-0.59%	+0.35%
Liquidity ⁽²⁾ effect	-0.22%	-0.22%

(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 1,605 MN**
 Banks Foreign Exchange position W-1 **MAD 2,720 MN**

(3) Calculated over the period from 03/31/2021 to 04/06/2021

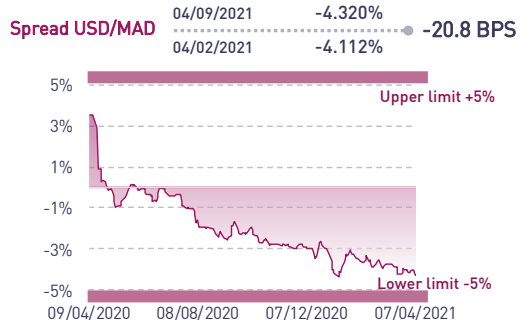
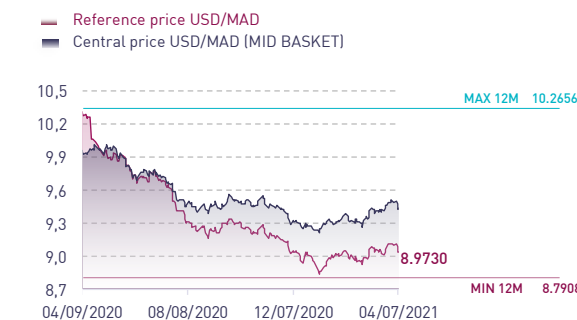
The dollar declines in the face of inflationary risks

During this week, the dollar traded downward against its main counterparts. To this end, the EUR/USD parity appreciated by + 1.19%, going from 1.176 to 1.190.

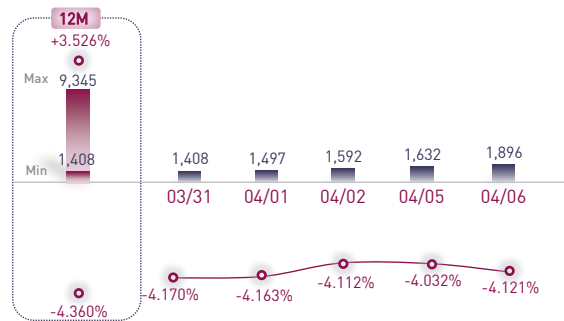
Despite the release of a better-than-expected non-manufacturing ISM, the dollar remains penalized by inflationary risks in the coming months. Investors are very vigilant about a possible change in the FED's monetary policy.

The euro benefited from the ECB's latest statement. The institution estimates that the pandemic impacts on European economy remain limited in the LT horizon.

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



The liquidity gap close to its annual low

As expected, the dirham appreciated this week against the dollar by 0.81%. Thus, the USD/MAD parity crossed down the threshold of 9.00 MAD to 8.97 against 9.05 a week earlier. The basket effect related to the EUR/USD parity change is -0.59% versus a market effect of -0.22%.

The spread between the MAD benchmark price and its central price is closer to the lower band of -5.0%. This widened by 20.8 BPS in one week, going from -4.11% to -4.32%.

The average foreign exchange position of banks fell this week by 41% from MAD 2.7 Bn to MAD 1.6 Bn.

VOLATILITY INDICATORS

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 MONTH	4.30%	3.41%	4.55%	7.16%	8.04%	5.41%
2 MONTHS	5.29%	3.95%	5.17%	6.45%	7.85%	6.62%
3 MONTHS	5.15%	4.01%	5.78%	6.80%	7.97%	6.16%

Guard against the MAD appreciation over the ST

In order to better manage this period of high volatility of the MAD, we favor dynamic hedging strategies.

Taking into account the continued MAD appreciation, we recommend that exporters hedge the dirham in the ST.

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CURRENCIES

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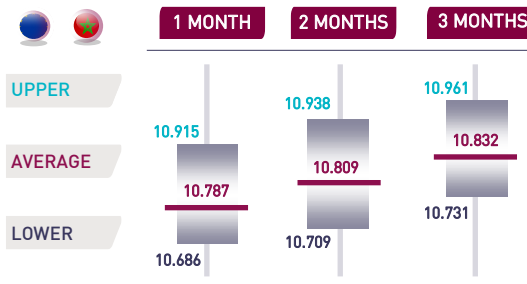
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-21	Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
MEDIAN		1.20	1.21	1.22	1.22	1.23	1.20	1.22	1.26
AVERAGE	1.1899	1.20	1.21	1.22	1.21	1.22	1.22	1.21	1.26
+HIGH	04/09/2021	1.26	1.28	1.37	1.35	1.34	1.34	1.26	1.27
+LOW		1.16	1.14	1.14	1.14	1.12	1.16	1.14	1.25
FORWARD		1.19	1.19	1.20	1.20	1.21	1.22	1.25	1.27

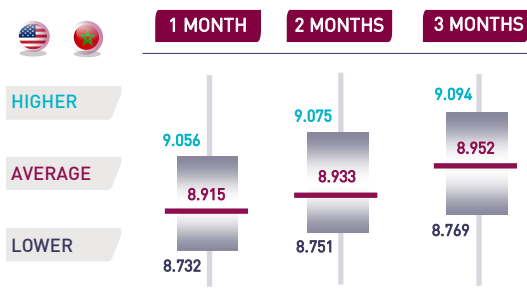
Waiting for the release of US inflation data, international brokers left their bullish forecasts for the EUR/USD parity unchanged. The consensus forecast anticipates parity levels of 1.20 in Q2-21 before moving towards 1.22 by the end of 2021. The pair should stabilize over 2022-2024, before advancing towards 1.26 by 2025.

In its latest economic report, the IMF revised upwards its growth forecast for the global economy in 2021 from 5.5% to 6.0%, supporting investors' risk appetite. At the origin of this revision, the massive fiscal stimulus in the United States and the progress of vaccination campaigns throughout the developed economies. However, investors remain concerned about the Fed's response toward inflationary risks emanating from the significant support plans in the United States.

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

Given the continued appreciation of the MAD and the widening of liquidity spreads to annual lows during this week, we maintained our scenario of the MAD appreciation against the dollar. Taking into account our expectation of a comfortable level of liquidity during our forecast horizon, we have slightly lowered our 1 and 2 month forecasts.

The MAD would appreciate against the dollar by 0.7%, 0.4% and 0.2% in 1, 2 and 3 month horizons from a current level of 8.97. The USD/MAD parity would thus be at 8.91, 8.93 and 8.95 for 1, 2 and 3 month horizons, against an initial forecast of 8.92, 8.94 and 8.95.

The levels of the dirham depreciation against the euro would reach 1.1%, 1.3% and 1.5% over 1, 2 and 3 months. Consequently, the EUR/MAD parity would stand at 10.79, 10.81 and 10.83 against an initial forecast of 10.80, 10.82 and 10.83 over the same periods and 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	-0.81%	+0.14%	-0.05%	-0.86%	-1.63%	+0.81%
1 MONTH	-0.51%	-0.65%	-1.33%	-0.26%	-1.64%	+0.07%
YTD 2021	+0.77%	-2.42%	-5.26%	+2.14%	+1.28%	-4.14%

Prices as of 04/09/2021



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APPENDICES

DATA AS OF APRIL 9TH, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-21	Q3-21	Q4-21	2022	2023	2024	2025
FORECAST	USD/JPY	108	108	108	109	111	107	--
FORWARD	110	110	109	109	109	107	105	103
FORECAST	USD/CAD	1.25	1.25	1.23	1.25	1.24	1.24	1.22
FORWARD	1.26	1.26	1.26	1.25	1.26	1.26	1.27	1.27
FORECAST	USD/CHF	0.93	0.93	0.92	0.91	0.90	0.93	--
FORWARD	0.93	0.92	0.92	0.92	0.91	0.89	0.88	0.86
FORECAST	GBP/USD	1.39	1.41	1.41	1.44	1.44	1.42	--
FORWARD	1.37	1.37	1.37	1.37	1.38	1.38	1.39	1.40

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

	Date	Q2-2021	Q3-2021	Q4-2021	2022	2023
Banco Bilbao Vizcaya Argentaria	04/09/21	1.19	1.20	1.22	1.23	1.29
Maybank Singapore	04/08/21	1.20	1.22	1.24	1.25	1.25
Standard Chartered	04/08/21	1.17	1.17	1.20	1.26	1.26
NAB/BNZ	04/07/21	1.26	1.28	1.30	1.31	1.25
ING Financial Markets	04/06/21	1.22	1.25	1.28	1.22	1.20
Rabobank	04/01/21	1.17	1.18	1.18	1.17	1.18
United Overseas Bank	03/31/21	1.18	1.19	1.20	1.18	1.16
BNP Paribas	03/29/21	1.18	1.20	1.23	1.18	1.32
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
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
Raiffeisen	10/09/20	1.19	1.20	1.21	1.22	1.24

Data as of 04/09/2021

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