



WEEKLY MAD INSIGHTS

CURRENCIES

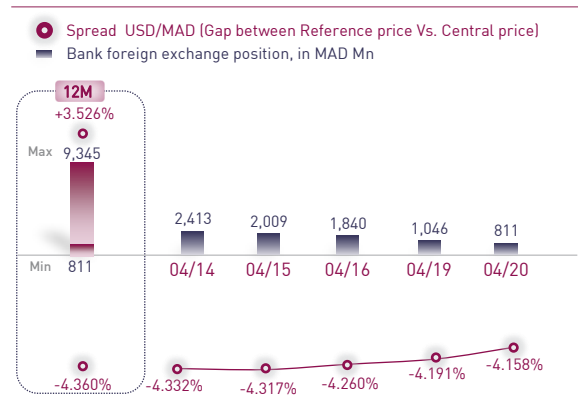
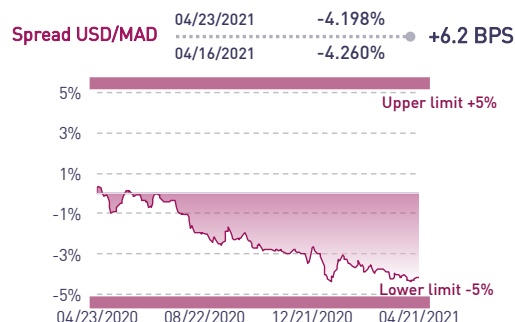
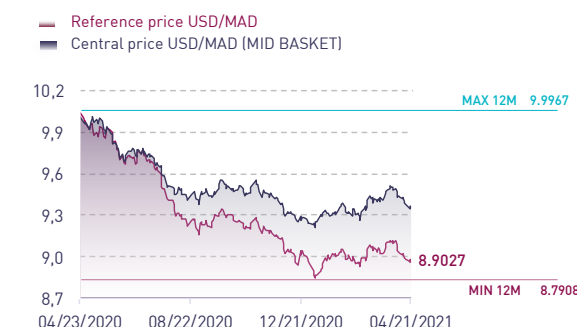
WEEKLY VARIATIONS

		-0.35%			-0.19%
USD/MAD	8.9027		CAD/MAD	7.1330	
		+0.31%			+0.19%
EUR/MAD	10.7420		GBP/MAD	12.3630	
		+0.63%			+0.07%
JPY/MAD	8.2647		CHF/MAD	9.7318	

INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.00%	2.69%	5.43%	6.64%	7.42%	5.13%
2 MONTHS	4.83%	3.62%	5.24%	6.95%	7.98%	6.25%
3 MONTHS	4.81%	3.64%	5.26%	6.50%	7.46%	5.96%

	USD/MAD	EUR/MAD
[Basket ⁽¹⁾ effect]	-0.41%	+0.25%
[Liquidity ⁽²⁾ effect]	+0.06%	+0.06%

(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 1,623 MN
Banks Foreign Exchange position W-1	MAD 2,067 MN

(3) Calculated over the period from 04/14/2021 to 04/20/2021

The vaccination effort in Europe supports the euro

The euro continued its bullish rally during the last week, showing a gain of + 0.95% against the dollar.

The euro remains on an upward trend as the vaccination effort intensifies within Europe. With more than 16 M injections, Germany is in the first position ahead of France with 12 M injections.

Note that on Thursday, the euro traded lower against the dollar after the ECB meeting. The institution has expressed its concerns regarding the growth outlook in the Eurozone. On the same day, the dollar strengthened thanks to the decline in unemployment benefit claims to a low since the start of the Covid-19 crisis.

Moroccan forex exchange position at annual low

During this week, the banks' foreign exchange position reached an annual low of MAD 811 Mn against a weekly average of MAD 2.1 Bn.

This is explained by an import flows higher than those of export. For its part, the spread between the MAD reference price and its central price is further away from the lower limit of the fluctuation band at -4.20% versus -4.26% a week ago.

The MAD continues its appreciation against the dollar, i.e.+ 0.35% this week. The USD/MAD parity stood at 8.90 versus 8.93 a week earlier. We note, a significant basket effect relating to the EUR/USD evolution of -0.41% combined with a limited market effect +0.06%.

The MAD volatility is still high

Taking into account the high volatility of the EUR/USD parity, the MAD may be significantly impacted in the coming weeks.

We recommend that Corporates importing in dollar favor short-term dirham hedging strategies.

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WEEKLY MAD INSIGHTS

CURRENCIES

29 | APRIL
2021

Week from 04/19/2021 to 04/23/2021

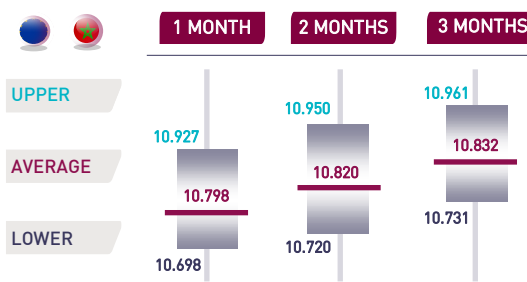
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-21	Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
MEDIAN		1.19	1.20	1.22	1.22	1.23	1.21	1.20	1.25
AVERAGE	1.2097 04/23/2021	1.19	1.20	1.22	1.21	1.22	1.21	1.21	1.24
+HIGH		1.26	1.29	1.33	1.35	1.31	1.26	1.26	1.26
+LOW		1.16	1.14	1.14	1.13	1.10	1.16	1.14	1.18
FORWARD		1.21	1.21	1.21	1.21	1.22	1.24	1.26	1.28

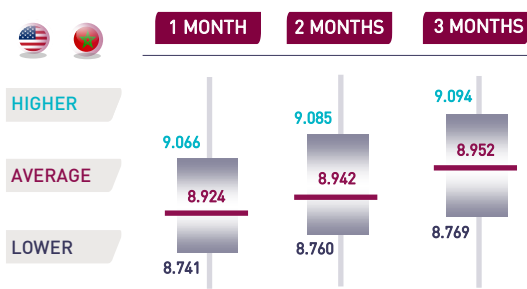
Waiting for the next FED meeting scheduled for this week, major international brokers kept, almost unchanged, their bullish forecasts regarding the EUR/USD parity. However, the consensus forecast for this parity was revised down to 1.19 at the end of the Q2-21, from an initial forecast of 1.20. The consensus anticipates a level of 1.22 at the end of 2021 and relative stability over the period 2022-2024. By 2025, the pair is expected to reach 1.24.

Following its last monetary policy meeting, the ECB did not communicate on its future monetary measures. This lack of visibility combined with widespread restrictions in Europe justify the bearish forecasts for the euro.

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 current liquidity levels of the foreign exchange market as well as the increase in the dirham spreads during the last two weeks, we revised upwards our forecasts for the USD/ MAD parity in 1 and 2 months horizons. Thus, after having reached the threshold of 8.90, we anticipate that the MAD will continue to depreciate at the end of the same maturities.

The MAD would depreciate against the dollar by 0.2%, 0.4% and 0.6% for 1, 2 and 3 months horizons versus a current level of 8.90. The USD/MAD parity would be at 8.92, 8.94 and 8.95 for 1, 2 and 3 month horizons, against an initial forecast of 8.91, 8.92 and 8.95.

The levels of the dirham depreciation against the euro would stand at 0.5%, 0.7% and 0.8% over 1, 2 and 3 month horizons. Therefore, the EUR/MAD parity would reach 10.80, 10.82 and 10.83 against initial forecasts of 10.78, 10.80 and 10.83 over the same periods and versus a current level of 10.74.

MAD DASHBOARD (YTD PERFORMANCE)

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.17%	+0.09%	+0.18%	-0.06%	-0.53%	-0.27%
1 MONTH	-0.89%	+0.64%	-0.13%	-0.11%	-0.04%	+0.70%
YTD 2021	-0.02%	-1.77%	-4.35%	+2.04%	+1.68%	-3.78%

Prices as of 04/23/2021



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APPENDICES

DATA AS OF APRIL 23RD, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-21	Q3-21	Q4-21	2022	2023	2024	2025
FORECAST	USD/JPY	108	108	108	108	111	107	103
FORWARD	108	108	108	108	107	106	104	102
FORECAST	USD/CAD	1.26	1.25	1.25	1.25	1.25	1.26	1.26
FORWARD	1.25	1.25	1.25	1.25	1.25	1.26	1.26	1.27
FORECAST	USD/CHF	0.93	0.93	0.93	0.92	0.91	0.93	0.95
FORWARD	0.92	0.92	0.91	0.91	0.90	0.89	0.87	0.86
FORECAST	GBP/USD	1.39	1.40	1.40	1.44	1.44	1.42	1.39
FORWARD	1.38	1.38	1.38	1.39	1.39	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	04/23/21	1.19	1.17	1.18	1.17	1.18
Swedbank	04/23/21	1.20	1.22	1.22	1.20	1.18
Maybank Singapore	04/15/21	1.20	1.22	1.24	1.25	1.25
Ballinger & Co.	04/13/21	1.20	1.23	1.24	1.23	1.21
Banco Bilbao Vizcaya Argentaria	04/09/21	1.19	1.20	1.22	1.23	1.29
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
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
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

Data as of 04/23/2021

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