



WEEKLY MAD INSIGHTS

CURRENCIES

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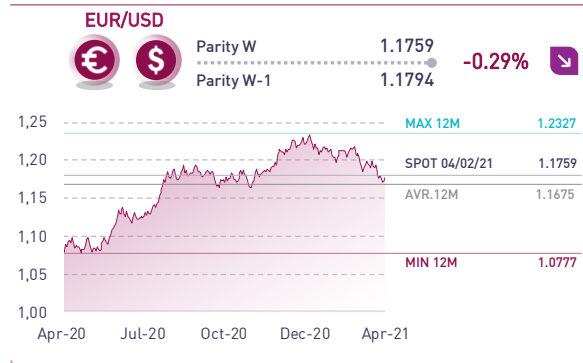
07 | APRIL
2021

Week from 03/29/2021 to 04/02/2021

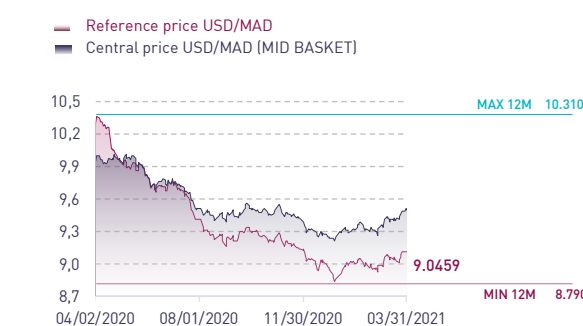
WEEKLY VARIATIONS

		-0.12%			+0.08%
USD/MAD		9.0459	CAD/MAD		7.2022
		-0.11%			+0.38%
EUR/MAD		10.6561	GBP/MAD		12.5190
		-0.84%			-0.09%
JPY/MAD		8.1908	CHF/MAD		9.6172

INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	-0.01%	0.00%
Liquidity ⁽²⁾ effect	-0.11%	-0.11%

(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 2,476 MN**
 Banks Foreign Exchange position W-1 **MAD 3,438 MN**

(3) Calculated over the period from 03/25/2021 to 03/31/2021

The dollar supported by the US infrastructure plan

The European currency remains under pressure and continues to decline against the dollar this week by -0.29%, going from 1.179 to 1.176.

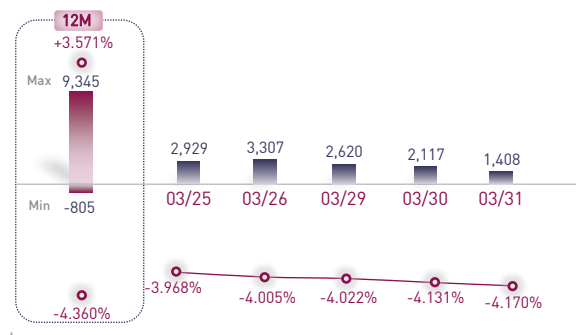
The euro is suffering from the consequences of the health situation in Europe. The new restrictions put in place and the difficulties regarding the vaccination campaign would delay the economic recovery.

The US President announced an additional \$ 2,000 Bn infrastructure plan. The latter fueled market confidence for a solid economic recovery within the United States.

Spread USD/MAD
04/02/2021: -4.112%
03/26/2021: -4.005%
Change: -10.7 BPS



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



The liquidity effect dominates the MAD evolution

At the end of the week, the USD/MAD parity rose from 9.057 to 9.046. In this regard, the dirham shows an appreciation against the dollar of + 0.12%. This change is exclusively explained by a market effect of -0.11% against -0.01% for the basket effect.

The spread between the MAD reference price and its central price widened by 10.7 BPS in one week, from -4.01% to -4.11%. However, the foreign exchange position of the banks contracted this week to MAD 1.4 Bn, against an average of MAD 3.4 Bn a week before. The reason behind is a visible catch-up effect of import flows on the foreign exchange market during the same period.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	4.63%	3.49%	4.51%	6.31%	7.51%	5.79%
2 MONTHS	5.13%	3.85%	5.04%	5.80%	7.45%	6.29%
3 MONTHS	5.31%	4.30%	5.84%	6.89%	7.91%	6.21%

Towards a MAD appreciation on the short term

We continue to favor hedging strategies to deal with the dirham volatility against the main benchmark currencies. We recommend exporting companies to hedge the MAD in the light of its appreciation over the next 3 months.



WEEKLY MAD INSIGHTS

CURRENCIES

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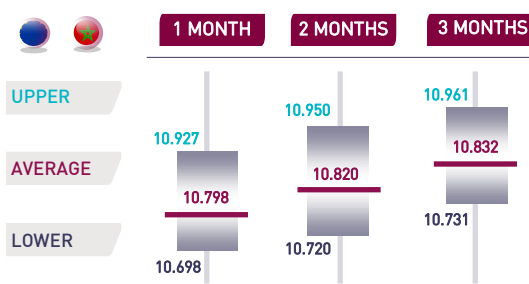
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-21	Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
MEDIAN		1.20	1.22	1.23	1.22	1.23	1.19	1.20	--
AVERAGE	1.1759	1.20	1.21	1.22	1.22	1.22	1.22	1.19	--
+HIGH	04/02/2021	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	1.16	1.14	--
FORWARD		1.18	1.18	1.18	1.19	1.19	1.21	1.23	1.26

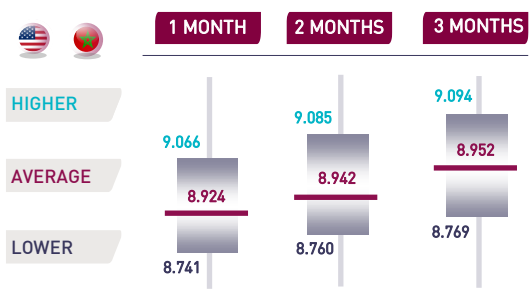
For the second consecutive week, the main international brokers revised downward their bullish forecasts concerning the EUR/USD parity. The consensus forecast anticipates parity levels of 1.20 during the current quarter before moving towards 1.22 by 2021. The pair is expected to stabilize at this level by 2023. It is expected to decrease to 1.19 by 2024.

The forecast of a better performance of the dollar this week was supported by the publication of positive data in the United States combined with the announcement of a new stimulus package of \$ 2,000 Bn after the one adopted in March of \$ 1.900 Bn. These announcements point to a solid economic recovery in the United States. On the one hand, manufacturing activity growth accelerated more than expected in March to a 37-year high. On the other hand, the markets welcomed well the US employment figures announced on Friday, i.e. 916 K non-agricultural job creations were recorded last month against a forecast of 647 K.

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 continued widening of liquidity spreads and the dirham appreciation during this week, we maintained our scenario of the MAD appreciation against the dollar, while revising our forecasts slightly downwards over 2 and 3 months. We anticipate a re-sumption of export operations bringing current market liquidity levels to more comfortable thresholds.

We expect the dirham to appreciate against the dollar in 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.

The MAD would appreciate against the dollar by 1.3%, 1.1% and 1.0% in 1, 2 and 3 month horizons from a current level of 9.05. 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 8.92, 8.95 and 8.98.

The levels of the dirham depreciation against the euro would reach 1.3%, 1.5% and 1.6% over 1, 2 and 3 months. Consequently, the EUR/MAD parity would stand at 10.80, 10.82 and 10.83 against an initial forecast of 10.80, 10.83 and 10.87 over the same periods and against a current price of 10.66.

MAD DASHBOARD (YTD PERFORMANCE)

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.12%	-0.11%	-0.84%	+0.08%	+0.38%	-0.09%
1 MONTH	+1.15%	-0.91%	-2.08%	+1.89%	+0.72%	-1.28%
YTD 2021	+1.58%	-2.55%	-5.20%	+3.03%	+2.96%	-4.91%

Prices as of 04/02/2021



APPENDICES

DATA AS OF APRIL 2ND, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-21	Q3-21	Q4-21	2022	2023	2024	2025
FORECAST	USD/JPY	108	107	107	109	112	112	--
FORWARD	111	110	110	110	109	108	106	104
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	1.26	1.27	1.27
FORECAST	USD/CHF	0.93	0.93	0.92	0.93	0.93	--	--
FORWARD	0.94	0.94	0.94	0.94	0.93	0.91	0.89	0.87
FORECAST	GBP/USD	1.39	1.40	1.40	1.43	1.44	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	04/01/21	1.17	1.18	1.18	1.17	1.18
United Overseas Bank	03/31/21	1.18	1.19	1.2	1.18	1.16
BNP Paribas	03/29/21	1.18	1.2	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
Banco Bilbao Vizcaya Argentaria	03/01/21	1.21	1.22	1.23	1.25	1.29
NAB/BNZ	02/12/21	1.26	1.28	1.30	1.31	1.25
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 04/02/2021

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