



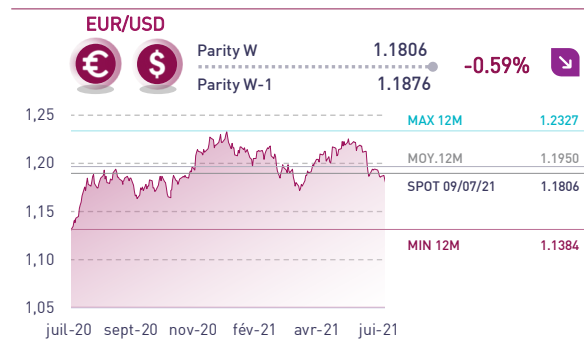
# WEEKLY MAD INSIGHTS

## CURRENCIES

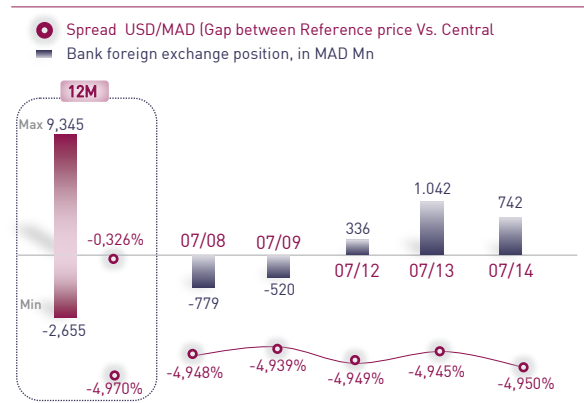
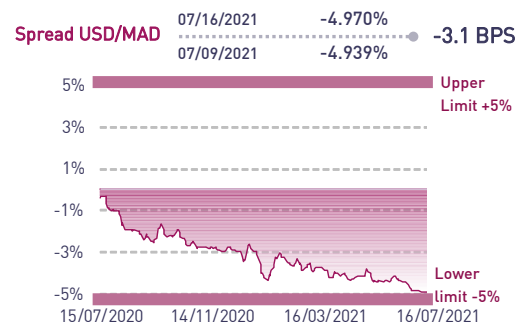
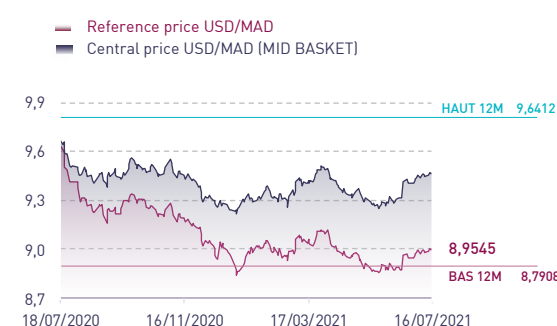
### MAIN WEEKLY VARIATIONS

		+0.29%			-0.38%
USD/MAD		8.9545	CAD/MAD		7.1107
		-0.22%			+0.18%
EUR/MAD		10.5681	GBP/MAD		12.3610
		+0.03%			-0.27%
JPY/MAD		8.1242	CHF/MAD		9.7374

### INTERNATIONAL HIGHLIGHTS



### MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



### VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.14%	2.98%	6.81%	6.58%	5.41%	5.21%
2 MONTH	3.92%	2.55%	5.91%	5.54%	5.48%	4.42%
3 MONTH	4.06%	2.94%	5.88%	6.24%	6.15%	4.58%

	USD/MAD	EUR/MAD
Basket <sup>(1)</sup> effect	+0.32%	-0.19%
Market <sup>(2)</sup> effect	-0.03%	-0.03%

(1) Impact of the variation of the parity EUR/USD

(2) Impact of the variation in the liquidity spread (Supply / Demand)

Banks Foreign Exchange position <sup>(3)</sup> W	MAD164 MN
Banks Foreign Exchange position W-1	MAD -1,113 MN

(3) Calculated over the period from 07/08/2021 to 07/14/2021

### Risk aversion dominates, "Delta" worries

The single currency continues to decline this week amid growing fears around the spread of the Delta variant in several countries. Thus, the increase in contamination continues to fuel fears about the strength of the global economic recovery as new health restriction measures are put in place mainly in Europe and the United States.

Under these conditions, the dollar takes advantage of investors' risk aversion and benefits from its status as a safe haven asset by advancing against a benchmark of currencies.

### The liquidity gap closest to the lower band

The MAD is losing ground against the dollar this week, rising from 8.93 to 8.95, i.e. an increase in USD/MAD parity of 0.29%. Originally, a large basket effect of +0.32% against a limited market effect of -0.03%.

Regarding liquidity conditions, the foreign exchange position of average banks is reversed and entered positive territory, rising from MAD -1.1 Bn to MAD 0.2 Bn in one week. This trend is mainly explained by the large flows linked to foreign currency inflows in the summer period.

The spread between the MAD benchmark price and its central price is closer to its lower band and widens by 3.1 BPS, from -4.94% to -4.97%.

### A sustained MAD volatility over the ST

The current increased volatility of the EUR/USD parity and its impact on the dirham variation, confirms our recommendation to hedge currency transactions over ST horizons.

We recommend that dollar-denominated exporting operators opt for MAD hedging solutions over a 3-month horizon.

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# WEEKLY MAD INSIGHTS

## CURRENCIES

20 | JUILLET  
2021

Week from 07/09/2021 to 07/16/2021

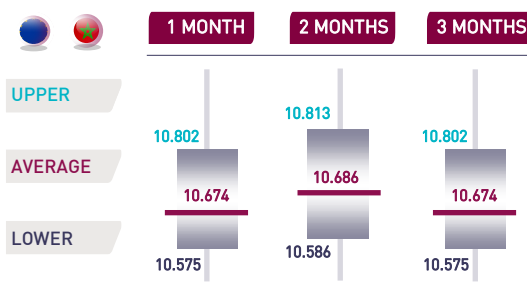
### EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q3-21	Q4-21	Q1-22	Q2-22	2022	2023	2024	2025
MÉDIANE		1.20	1.20	1.20	1.20	1.21	1.24	1.23	1.24
MOYENNE	1.1876 07/09/2021	1.20	1.20	1.20	1.21	1.21	1.22	1.23	1.24
+HAUT		1.28	1.30	1.32	1.34	1.31	1.30	1.25	1.26
+BAS		1.15	1.13	1.12	1.14	1.14	1.16	1.19	1.21
FORWARD		1.18	1.18	1.19	1.19	1.19	1.21	1.22	1.24

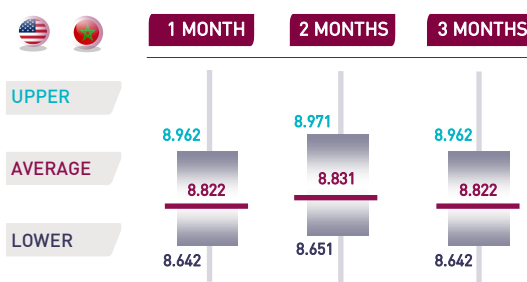
The bullish EUR/USD parity forecasts of major international brokers over ST were maintained this week. The pair is expected to settle at 1.20 over the next three quarters. It would stabilize around 1.21 by 2022. Adjustments affected LT forecasts. In fact, the euro is expected to trade against the dollar at 1.24 and 1.23 by 2023 and 2024 respectively, against an initial forecast of 1.23 and 1.24 over the same periods. By 2025, the target level is 1.24.

Concerns about the rapid spread of the new variant of Covid-19 and its possible repercussions on growth comfort global central banks in their accommodative monetary policies. Inflationary fears are relegated to the background, investors seem more convinced of the temporary nature of inflation. Thus, the Fed's monetary arrangement could extend beyond 2023, thus supporting the positive outlook for the single currency.

### EUR/MAD AND USD/MAD OUTLOOK - AGR



Based on EUR/USD Bloomberg forecast for Q3-21



Based on EUR/USD Bloomberg forecast for Q3-21

Given the resilience of liquidity spreads at historically low levels, we are keeping our expectations for the development of the MAD unchanged.

Like last week, the MAD appreciates against the dollar at 1, 2 and 3 month horizons. Against the euro, it would depreciate over the same horizons.

The MAD would appreciate against the dollar by 1.5%, 1.4% and 1.5% in 1, 2 and 3 month horizons. The USD/MAD parity would reach 8.82, 8.83 and 8.82 at 1, 2 and 3 month horizons against a spot price of 8.95.

Against the euro, the MAD would depreciate by 1.0%, 1.1% and 1.0% over the next 3 months against a spot rate of 10.57. The EUR/MAD parity would reach 10.67, 10.69 and 10.67 at 1, 2 and 3 month horizons.

### MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	0.29%	-0.22%	0.03%	-0.38%	0.18%	-0.27%
1 MONTH	1.47%	-1.16%	1.23%	-1.86%	-0.75%	-0.77%
YTD 2021	0.56%	-3.36%	-5.97%	1.72%	1.66%	-3.72%

Prices as of 07/09/2021



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# APPENDICES

DATA AS OF JULY 20<sup>TH</sup>, 2021

## APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
FORECAST	USD/JPY	110	111	111	111	112	104	103
FORWARD	109	109	109	109	109	108	106	104
FORECAST	USD/CAD	1.23	1.22	1.22	1.22	1.22	1.2	1.21
FORWARD	1.28	1.28	1.28	1.28	1.28	1.29	1.29	1.30
FORECAST	USD/CHF	0.93	0.93	0.93	0.93	0.90	0.88	0.89
FORWARD	0.92	0.92	0.91	0.91	0.90	0.89	0.88	0.87
FORECAST	GBP/USD	1.40	1.40	1.41	1.42	1.42	1.42	1.41
FORWARD	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.38

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

	Date	Q3-2021	Q4-2021	Q1-2022	2022	2023
Rabobank	16/07/21	1.18	1.17	1.18	1.17	1.18
Commonwealth Bank of Australia	07/07/21	1.16	1.13	1.12	1.18	1.30
Rabobank	07/07/21	1.19	1.17	1.18	1.17	1.18
Banco Bilbao Vizcaya Argentaria	07/06/21	1.20	1.23	1.24	1.25	1.27
BNP Paribas	07/05/21	1.18	1.17	1.16	1.14	1.32
PNC Financial	07/05/21	1.19	1.18	1.18	1.17	1.16
Swedbank	07/02/21	1.21	1.22	1.20	1.15	1.18
Mouvement Desjardins	06/29/21	1.20	1.20	1.21	1.18	1.19
Landesbank Baden-Wuerttemberg	06/28/21	1.19	1.18	1.16	1.15	1.18
X-Trade Brokers Dom Maklerski	06/28/21	1.19	1.19	1.19	1.19	1.23
Barclays	06/24/21	1.18	1.18	1.17	1.15	1.17
Australia & New Zealand Banking Group	06/22/21	1.22	1.26	1.27	1.30	1.24
Standard Chartered	06/18/21	1.24	1.26	1.26	1.26	1.26
Westpac Banking	06/15/21	1.23	1.24	1.25	1.27	1.26
Citigroup	06/10/21	1.21	1.19	1.17	1.16	1.40
ING Financial Markets	06/10/21	1.25	1.28	1.28	1.22	1.20
Maybank Singapore	06/10/21	1.22	1.24	1.25	1.25	1.25

Prices as of 07/20/2021

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