



WEEKLY MAD INSIGHTS

CURRENCIES

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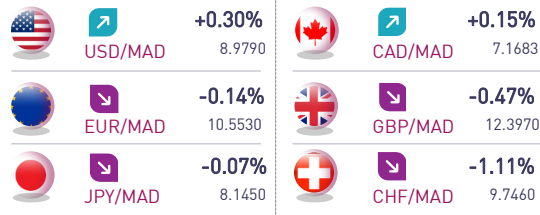


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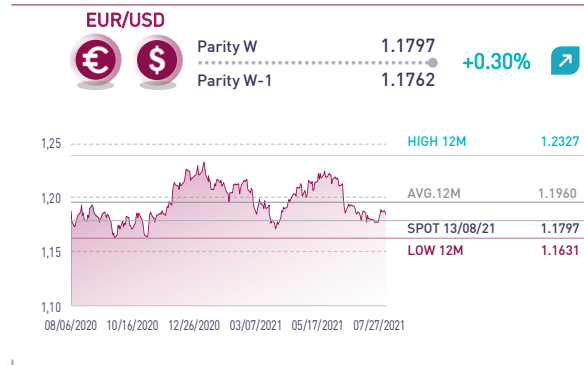
18 | AUGUST
2021

Week from 08/09/2021 to 08/13/2021

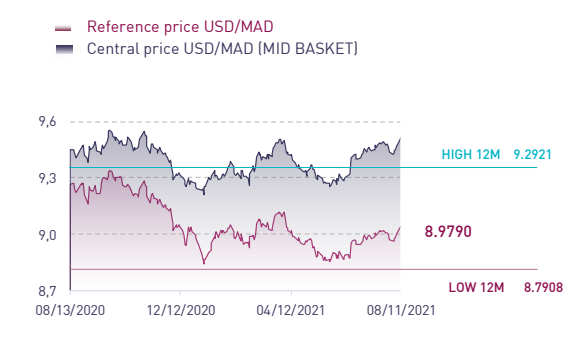
MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	+0.27%	-0.17%
Market ⁽²⁾ 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)

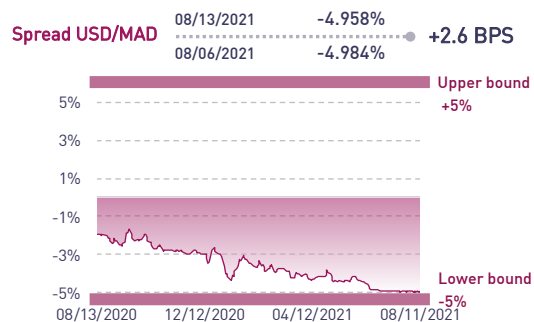
	Banks Foreign Exchange position ⁽³⁾ W	6,648 MN
	Banks Foreign Exchange position W-1	4,023 MN

(3) Calculated over the period from 08/04/2021 to 08/11/2021

Euro strengthens regains relative to the US dollar

The Euro posted a positive weekly performance against the Dollar, i.e. +0.30% to 1.1797. In fact, the EUR/USD parity rebounded at the end of the week after trading on Wednesday near its 2021 low of 1.1704.

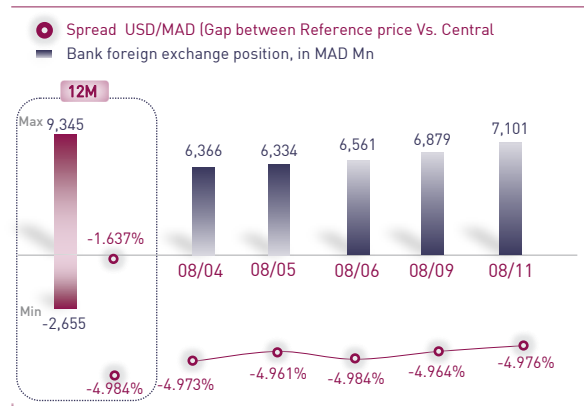
The greenback was penalized by the unexpected drop in Michigan's US Consumer Confidence Index released on Friday. The index fell from 81.2 to 70.2 in August against a consensus of 81.2. This is its lowest level since 2011. This drop reflects the growing concerns about the negative impact of the spread of the Delta variant as well as new inflationary risks.



The positive impact of the "Marhaba" operation

This week was marked by the continued improvement in the bank's foreign exchange position, the average weekly figures exceeded MAD 6.6 Bn Vs. MAD 4.0 Bn last week. This performance is justified by the increase of MRE receipts and travel receipts over this summer season thanks to "Marhaba" operation. For its part, the spread between the reference price and the central price of the MAD narrowed slightly by 2.6 PBS this week to -4.96%. The MAD's liquidity spreads resist at levels close to the lower limit of its fluctuation band.

Taking into account the rise in the EUR/USD parity and a basket effect of +0.27%, the MAD depreciates this week against the dollar by 0.30% to 8.9790.



VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	2.97%	1.84%	5.56%	9.90%	7.64%	4.94%
2 MONTHS	3.70%	2.61%	6.49%	8.39%	6.63%	5.05%
3 MONTHS	3.79%	2.41%	6.01%	7.32%	6.36%	4.52%

Interesting hedging levels

The increased level of the EUR/USD parity volatility confirms our recommendation to hedge currency transactions on short term horizons.

Given the current spread levels, we recommend that companies exporting in USD hedge their transactions denominated in USD over a horizon of 3 months.



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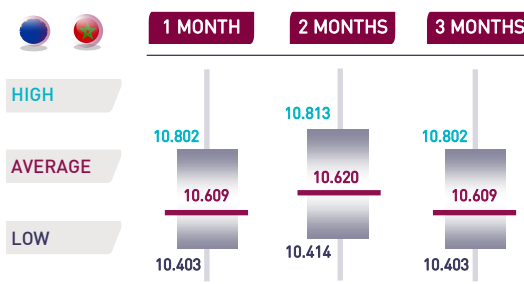
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	T3-21	T4-21	T1-22	T2-22	2022	2023	2024	2025
MEDIAN		1.18	1.19	1.20	1.20	1.21	1.19	1.20	1.25
AVERAGE	1.1797	1.18	1.19	1.19	1.20	1.20	1.19	1.19	1.23
+HIGH	08/13/2021	1.24	1.25	1.25	1.26	1.30	1.25	1.25	1.25
+LOW		1.15	1.14	1.13	1.12	1.12	1.10	1.11	1.16
FORWARD		1.18	1.18	1.19	1.19	1.19	1.21	1.23	1.25

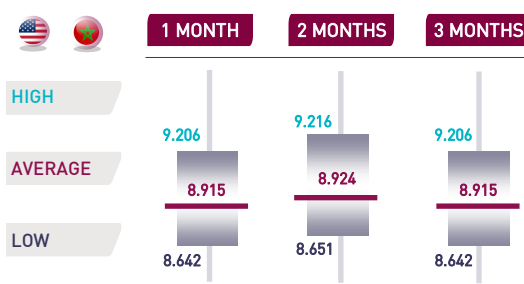
The bullish forecasts of the EUR/USD parity of the main international brokers were generally maintained during this week. The pair would settle at 1.18 in Q3-21 before rising to 1.19 in Q4-21. It should stabilize at this level in early 2022 before reaching 1.20 for the rest of the year. The euro is expected to trade against the dollar at 1.19 by 2023 against 1.21 initially expected. By 2024, the pair would remain stable at 1.19. In 2025, the target level is 1.23.

Pending the release of the Fed during the next FOMC meeting scheduled for Wednesday, the consensus still expects inflation to exceed 4%. This forecast is supported by the announcement of the annual US CPI last Wednesday at a level of 5.4% against a forecast of 5.3% for July on a year-on-year basis. This level, which remains higher than that in the Euro zone, supports the scenario of a further bullish rally in the Dollar against the Euro over the short term.

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

In view of stable liquidity conditions within the foreign exchange market at historic lows, we have kept our forecasts unchanged.

The MAD should appreciate against the dollar in 1, 2 and 3 month horizons. Against the euro, the MAD should depreciate over the same horizons.

The MAD would appreciate against the dollar by 0.7%, 0.6% and 0.7% over 1, 2 and 3 month horizons. The USD/MAD parity would reach 8.91, 8.92 and 8.91 over 1, 2 and 3 month horizons, against a spot price of 8.98.

Against the euro, the MAD should depreciate by 0.5%, 0.6% and 0.5% over the next 3 months against a spot rate of 10.57. The EUR/MAD parity should reach 10.61, 10.62 and 10.61 over 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	+0.30%	-0.14%	-0.07%	+0.15%	-0.47%	-1.11%
1 MONTH	+0.47%	-0.30%	+0.48%	+0.18%	+0.16%	-0.03%
YTD 2021	+0.83%	-3.49%	-5.73%	+2.55%	+1.96%	-3.64%

Prices as of 08/13/2021



APPENDICES

DATA AS OF AUGUST 13TH, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
FORECAST	USD/JPY	110	111	111	112	113	117	--
FORWARD	110	110	110	110	109	108	107	105
FORECAST	USD/CAD	1.24	1.23	1.22	1.23	1.22	1.22	1.23
FORWARD	1.25	1.25	1.25	1.25	1.25	1.26	1.26	1.27
FORECAST	USD/CHF	0.92	0.92	0.93	0.93	0.91	--	--
FORWARD	0.92	0.92	0.91	0.91	0.90	0.89	0.88	0.86
FORECAST	GBP/USD	1.40	1.40	1.41	1.44	1.44	1.41	--
FORWARD	1.39	1.39	1.39	1.39	1.38	1.39	1.39	1.40

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

	Date	Q3-2021	Q4-2021	Q1-2022	2022	2023
Rabobank	08/13/21	1.18	1.16	1.16	1.17	1.18
Swedbank	08/10/21	1.16	1.17	1.2	1.16	1.16
BNP Paribas	08/09/21	1.18	1.17	1.16	1.14	1.32
ING Financial Markets	08/09/21	1.2	1.23	1.23	1.15	1.1
Banco Bilbao Vizcaya Argentaria	08/06/21	1.18	1.18	1.2	1.24	1.25
Maybank Singapore	08/04/21	1.22	1.24	1.25	1.25	1.25
PNC Financial	08/03/21	1.18	1.18	1.17	1.17	1.16
United Overseas Bank	08/02/21	1.16	1.15	1.14	1.12	1.11
Australia & New Zealand Banking Group	07/30/21	1.18	1.22	1.24	1.25	1.25
Landesbank Baden-Wuerttemberg	07/30/21	1.19	1.18	1.16	1.15	1.18
X-Trade Brokers Dom Maklerski	07/30/21	1.19	1.19	1.19	1.19	1.23
Intesa Sanpaolo	07/27/21	1.16	1.15	1.16	1.21	1.22
NAB/BNZ	07/26/21	1.21	1.23	1.24	1.3	1.24
Westpac Banking	07/26/21	1.21	1.22	1.23	1.21	1.19
Mouvement Desjardins	07/20/21	1.19	1.2	1.21	1.18	1.19
Commonwealth Bank of Australia	07/07/21	1.16	1.13	1.12	1.18	1.3
Barclays	06/24/21	1.18	1.18	1.17	1.15	1.17

Prices as of 08/13/2021

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