



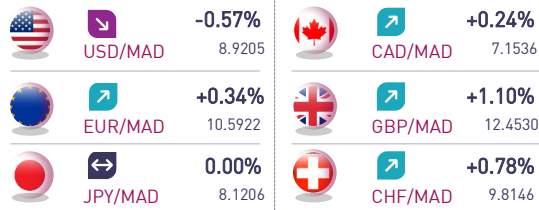
# WEEKLY MAD INSIGHTS

## CURRENCIES

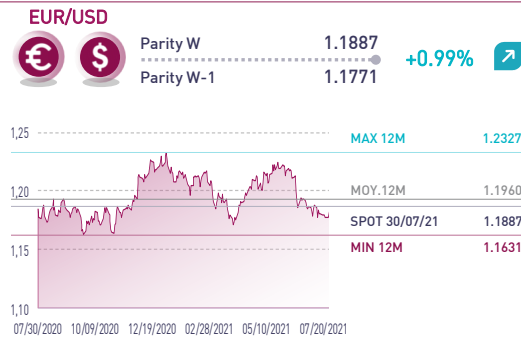
04 | AUGUST  
2021

Week from 07/26/2021 to 07/30/2021

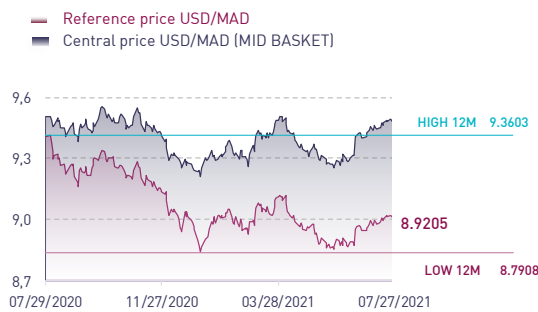
### MAIN WEEKLY VARIATIONS



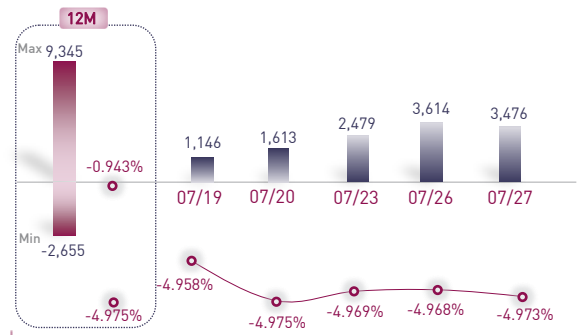
### INTERNATIONAL HIGHLIGHTS



### MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



### VOLATILITY INDICATORS

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 MONTH	2.92%	1.70%	6.85%	10.74%	8.06%	3.78%
2 MONTHS	4.05%	2.63%	6.28%	8.16%	6.66%	4.38%
3 MONTHS	4.13%	2.93%	5.96%	7.82%	6.81%	4.48%

	USD/MAD	EUR/MAD
Basket <sup>(1)</sup> effect	-0.57%	+0.34%
Market <sup>(2)</sup> effect	0.00%	0.00%

(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	2,465 MN
Banks Foreign Exchange position W-1	720 MN

(3) Calculated over the period from 07/19/2021 to 07/27/2021

### The US dollar penalized by the FED

The dollar traded lower against its main counterparts in connection with the latest announcements from the Fed at its last monetary policy meeting. EUR/USD hit its highest since July of 1.189 vs. 1.177 a week ago.

The Fed would continue its accommodative policy, believing that the current rise in inflation is of a one-off nature. Thus, no decision was taken regarding the timing of its reduction in asset purchases. According to the institution, the US economy has still not made visible progress regarding its price stability and employment targets.

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# WEEKLY MAD INSIGHTS

## CURRENCIES

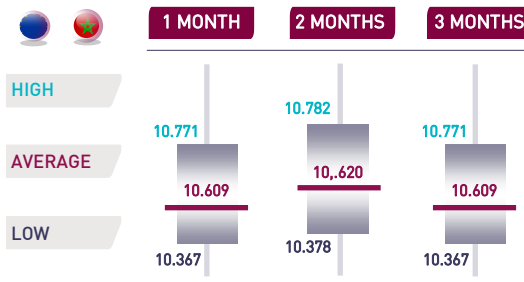
### EUR/USD OUTLOOK – BLOOMBERG

	SPOT	T3-21	T4-21	T1-22	T2-22	2022	2023	2024	2025
<b>MEDIAN</b>		1.19	1.19	1.20	1.20	1.21	1.21	1.20	1.25
<b>AVERAGE</b>	1.1887	1.19	1.19	1.19	1.20	1.20	1.21	1.20	1.22
<b>+HIGH</b>	07/30/2021	1.24	1.25	1.24	1.26	1.30	1.30	1.22	1.25
<b>+LOW</b>		1.15	1.13	1.12	1.12	1.14	1.16	1.18	1.16
<b>FORWARD</b>		1.19	1.19	1.19	1.19	1.20	1.21	1.23	1.25

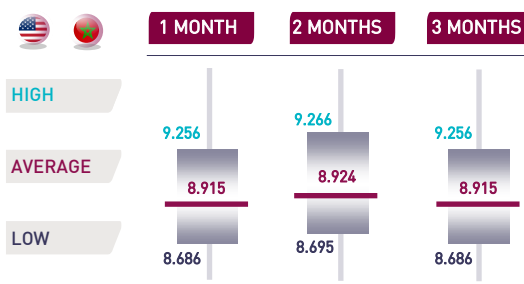
The bullish forecasts for the EUR/USD parity of the main international brokers at ST were revised downwards. The pair would stand at 1.19 for the remainder of 2021 from 1.20 initially forecast. This would hover around 1.20 over the next year. Adjustments also affected LT forecasts. The euro is expected to trade against the dollar at 1.21 by 2023. By 2024, the pair would be at 1.20. In 2025, the level target is 1.22 against 1.21 initially.

The main conclusion of the Fed's meeting this week comes down to "cautious" optimism. In fact, the institution seems to no longer consider reducing its bond purchases during this month. Given the uncertainty associated with the Delta variant, central banks in many countries prefer to observe the evolution of the health situation before starting any tightening / easing of their monetary policies. This wait-and-see situation further penalizes the euro over the MST.

### 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 resistance of liquidity levels to historic lows, and the revision of the EUR/USD forecasts over the next 3 months, we adjusted our scenario.

The MAD will show a slight appreciation against the dollar at 1, 2 and 3 month horizons. Against the euro, it would depreciate over the same horizons.

The MAD would appreciate slightly against the dollar by 0.1% in 1 and 3 month horizons. Within 2 months, the pair would stabilize at the spot price at 8.92. The USD/MAD parity would reach 8.91, 8.92 and 8.91 in 1, 2 and 3 month horizons against an initial forecast of 8.82, 8.83 and 8.82.

Against the euro, the MAD would depreciate by 0.2%, 0.3% and 0.2% over the next 3 months against a spot rate of 10.59. The EUR/MAD parity would reach 10.61, 10.62 and 10.61 at 1, 2 and 3 month horizons, against an initial expectation of 10.67, 10.69 and 10.67 over the same periods.

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

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
<b>1 WEEK</b>	-0.57%	+0.34%	0.00%	+0.24%	+1.10%	+0.78%
<b>1 MONTH</b>	+0.11%	-0.10%	+0.80%	-0.63%	+1.07%	+1.48%
<b>YTD 2021</b>	+0.18%	-3.14%	-6.02%	+2.34%	+2.42%	-2.96%

Prices as of 07/30/2021



# APPENDICES

DATA AS OF JULY 30<sup>TH</sup>, 2021

## APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q3-21	Q4-21	Q1-22	2022	2023	2024	2025
<b>FORECAST</b>	USD/JPY	110	111	112	112	113	--	--
<b>FORWARD</b>	110	110	110	109	109	108	107	105
<b>FORECAST</b>	USD/CAD	1.24	1.23	1.23	1.23	1.22	1.22	1.23
<b>FORWARD</b>	1.25	1.25	1.25	1.25	1.25	1.26	1.26	1.27
<b>FORECAST</b>	USD/CHF	0.93	0.93	0.93	0.93	0.91	--	--
<b>FORWARD</b>	0.91	0.91	0.90	0.90	0.89	0.88	0.87	0.85
<b>FORECAST</b>	GBP/USD	1.39	1.40	1.40	1.42	1.44	--	--
<b>FORWARD</b>	1.39	1.39	1.39	1.39	1.39	1.39	1.40	1.40

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

	Date	Q3-2021	Q4-2021	Q1-2022	2022	2023
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	1.30	1.24
Westpac Banking	07/26/21	1.21	1.22	1.23	1.21	1.19
Rabobank	07/23/21	1.18	1.17	1.18	1.17	1.18
Mouvement Desjardins	07/20/21	1.19	1.20	1.21	1.18	1.19
Commonwealth Bank of Australia	07/07/21	1.16	1.13	1.12	1.18	1.30
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
Barclays	06/24/21	1.18	1.18	1.17	1.15	1.17
Standard Chartered	06/18/21	1.24	1.26	1.26	1.26	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

Données arrêtées au 30/07/2021

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