



WEEKLY MAD INSIGHTS

CURRENCIES

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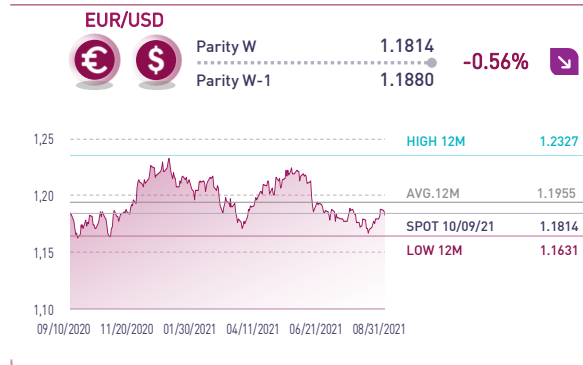
15 SEPTEMBER
2021

Week from 09/03/2021 to 09/10/2021

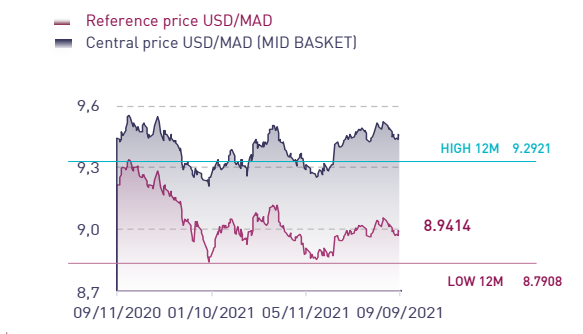
MAIN WEEKLY VARIATIONS

		+0.22%			-0.42%
USD/MAD		8.9414	CAD/MAD		7.0874
		-0.12%			+0.57%
EUR/MAD		10.5786	GBP/MAD		12.4040
		+0.20%			-0.04%
JPY/MAD		8.1330	CHF/MAD		9.7454

INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	+0.21%	-0.13%
Market ⁽²⁾ effect	+0.01%	+0.01%

(1) Impact of the variation of the parity EUR/USD
(2) Impact of the variation in the liquidity spread (Supply / Demand)

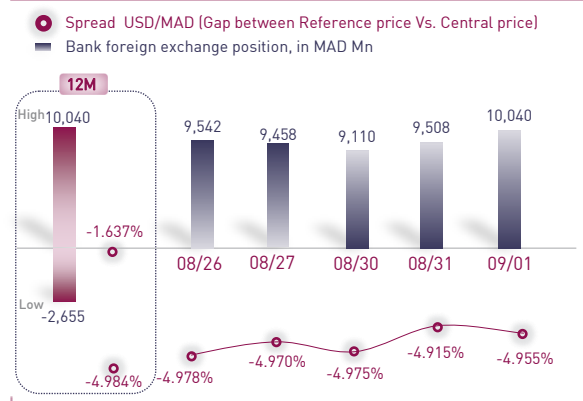
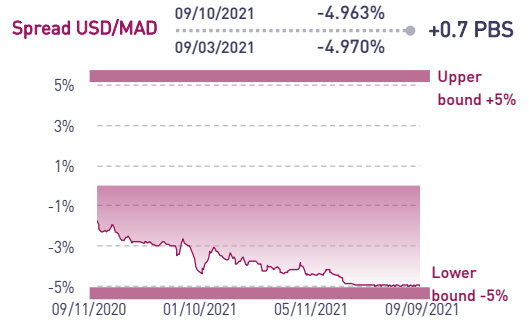
Banks Foreign Exchange position ⁽³⁾ W	9,532 MDH
Banks Foreign Exchange position W-1	9,140 MDH

(3) Calculated over the period from 08/26/2021 to 09/01/2021

The dollar recovers its two-week losses

The euro fell again and posted a weekly change of -0.56% to 1.1814. The cautious tone of the ECB, as well as the limited decline in its asset purchase program set up to support the European economy during the health crisis, do not seem to reassure investors.

The rise of US Treasuries yields is benefiting the US dollar, which is returning to its levels seen two weeks ago. However, the current context remains marked by the lack of visibility regarding the Fed's schedule for reducing its stimulus measures.



MRA receipts support currency position

The dirham depreciated this week by nearly 0.2% against the dollar, i.e. a USD/MAD parity of 8.94. This decline in the MAD is explained by a EUR/USD basket effect of +0.2%. In contrast, the market effect appears to be almost neutral.

The spread between the reference price and the MAD central rate narrows slightly to -4.96%. Nevertheless, liquidity spreads remain close to the lower limit of the MAD fluctuation band.

The bank foreign exchange position remains at its annual high of more than MAD 10 Bn. Originally, the positive performance of MRA receipts in the summer period.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	2.90%	1.86%	5.02%	7.81%	4.58%	5.25%
2 MONTHS	2.89%	1.81%	5.25%	8.96%	6.20%	4.93%
3 MONTHS	3.43%	2.39%	5.96%	8.17%	6.17%	4.98%

Towards a MAD appreciation against the Dollar

With a view to the MAD appreciation against the dollar over the next 3 months, exporters could undertake hedging operations.

On the other side, importers could procrastinate and wait for more attractive coverage levels to materialize.



WEEKLY MAD INSIGHTS

CURRENCIES

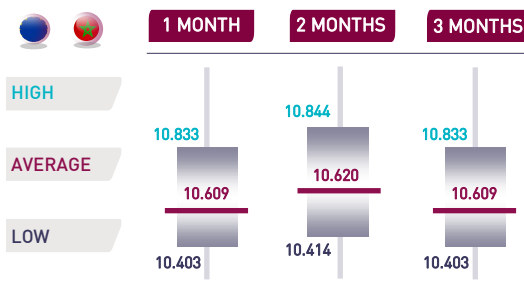
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q4-21	Q1-22	Q2-22	Q3-22	2022	2023	2024	2025
MEDIAN		1.18	1.19	1.20	1.20	1.20	1.21	1.22	1.25
AVERAGE	1.1814	1.19	1.19	1.19	1.20	1.20	1.20	1.22	1.25
+HIGH	09/10/2021	1.26	1.26	1.26	1.28	1.30	1.26	1.25	1.25
+LOW		1.14	1.13	1.12	1.13	1.13	1.10	1.20	1.25
FORWARD		1.19	1.19	1.19	1.19	1.20	1.21	1.23	1.25

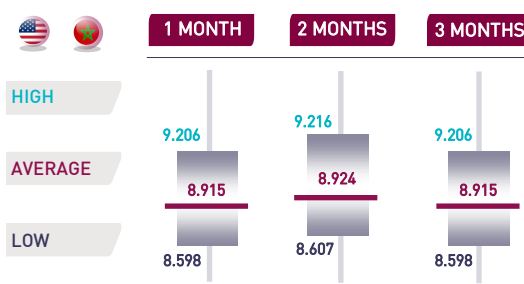
The EUR / USD forecasts of the main international brokers were revised downward over the SMT and up on the LT this week. The pair would stand at 1.19 in Q4-21. A level which would remain unchanged in Q2-22 against 1.20 a week earlier. This would approach 1.20 in Q3-22 against 1.22 initially. The pair is expected to stabilize at the 1.20 level through 2023, down from 1.19 a week earlier, reaching 1.22 in 2024, down from 1.21 a week earlier. In 2025, the target level stands at 1.25 maintained unchanged.

LT expectations of market operators favour the euro in a context marked by growing concerns about the strength of growth within the United States. The lack of visibility on the reduction in the Fed's asset buyback program is linked to inflationary concerns as well as uncertainty about the economic recovery in the US. The euro forecast for SMT, meanwhile, was revised downward this week following the rise in US Treasury bond yields.

EUR/MAD AND USD/MAD OUTLOOK - AGR



Based on EUR/USD Bloomberg forecast for Q4-21



Based on EUR/USD Bloomberg forecast for Q4-21

Given the stable liquidity conditions on the foreign exchange market, we kept our MAD forecast over the ST unchanged.

The MAD appreciates against the dollar in 1, 2 and 3 month horizons. Against the euro, it would depreciate over the same horizons.

The MAD would appreciate against the dollar by 0.3%, 0.2% and 0.3% in 1, 2 and 3 month horizons. The USD/MAD parity would reach 8.91, 8.92 and 8.91 at 1, 2 and 3 month horizons, against a spot price of 8.94.

Against the euro, the MAD should depreciate by 0.3%, 0.4% and 0.3% over the next 3 months against a spot rate of 10.58. The EUR / MAD parity should reach 10.61, 10.62 and 10.61 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	0.22%	-0.12%	0.20%	-0.42%	0.57%	-0.04%
1 MONTH	-0.37%	0.23%	-0.23%	-0.98%	-0.45%	-0.48%
YTD 2021	0.41%	-3.26%	-5.87%	1.39%	2.01%	-3.64%

Prices as of 09/10/2021



APPENDICES

DATA AS OF SEPTEMBER 13TH, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q4-21	Q1-22	Q2-22	2022	2023	2024	2025
FORECAST	USD/JPY	110	111	112	112	112	--	--
FORWARD	110	110	110	110	109	108	107	105
FORECAST	USD/CAD	1.24	1.24	1.23	1.23	1.22	--	--
FORWARD	1.26	1.26	1.26	1.26	1.27	1.27	1.27	1.28
FORECAST	USD/CHF	0.92	0.93	0.93	0.93	0.91	--	--
FORWARD	0.92	0.91	0.91	0.91	0.91	0.89	0.88	0.86
FORECAST	GBP/USD	1.39	1.40	1.40	1.43	1.42	--	--
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	Q4-2021	Q1-2022	Q2-2022	2022	2023
Canadian Imperial Bank of Commerce	10/09/21	1.15	1.15	1.17	1.15	1.18
Rabobank	10/09/21	1.17	1.16	1.16	1.17	1.18
NAB/BNZ	06/09/21	1.23	1.24	1.26	1.3	1.24
Landesbank Baden-Wuerttemberg	01/09/21	1.18	1.16	1.15	1.15	1.18
Australia & New Zealand Banking Group	31/08/21	1.2	1.23	1.25	1.25	1.25
X-Trade Brokers Dom Maklerski	31/08/21	1.18	1.19	1.18	1.19	1.23
Banco Bilbao Vizcaya Argentaria	30/08/21	1.17	1.18	1.2	1.21	1.24
Mouvement Desjardins	30/08/21	1.18	1.19	1.2	1.18	1.19
Swedbank	26/08/21	1.17	1.2	1.18	1.16	1.16
Standard Chartered	20/08/21	1.26	1.26	1.26	1.26	1.26
BNP Paribas	09/08/21	1.17	1.16	1.15	1.14	1.32
ING Financial Markets	09/08/21	1.23	1.23	1.2	1.15	1.1
Maybank Singapore	04/08/21	1.24	1.25	1.25	1.25	1.25
PNC Financial	03/08/21	1.18	1.17	1.17	1.17	1.16
United Overseas Bank	02/08/21	1.15	1.14	1.13	1.12	1.11
Intesa Sanpaolo	27/07/21	1.15	1.16	1.19	1.21	1.22
Westpac Banking	26/07/21	1.22	1.23	1.22	1.21	1.19

Prices as of 09/13/2021

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