



WEEKLY MAD INSIGHTS

CURRENCIES

Attijari Global Research

Lamyae Oudghiri

Manager
+212 529 03 68 18
L.oudghiri@attijari.ma

Meryeme Hadi

Associate
+212 529 03 68 19
m.hadi@attijari.ma

Nisrine Jamali

Investor relations
+212 5 22 49 14 82
n.jamali@attijari.ma

Capital Market - Trading

Yassine Rafa

05 22 42 87 72 / 06 47 47 48 23
y.rafa@attijariwafa.com

Mohammed Hassoun Filali

05 22 42 87 24 / 06 47 47 48 38
m.hassounfilali@attijariwafa.com

Capital Market - Sales

Btissam Dakkouni

05 22 42 87 74 / 06 00 04 95 80
b.dakkouni@attijariwafa.com



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Global Research

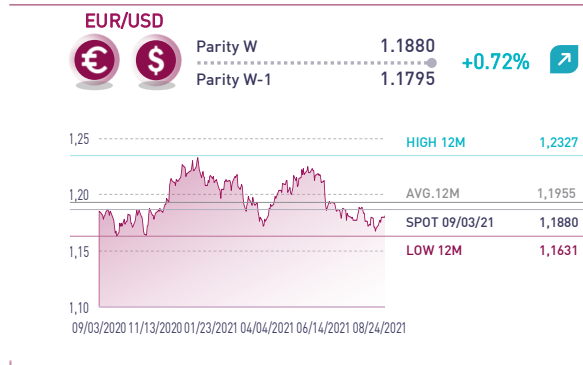
09 SEPTEMBER
2021

Week from 08/30/2021 to 09/03/2021

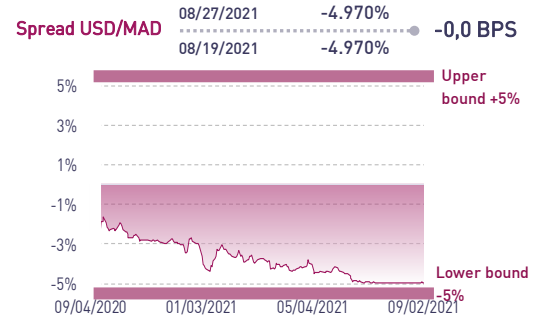
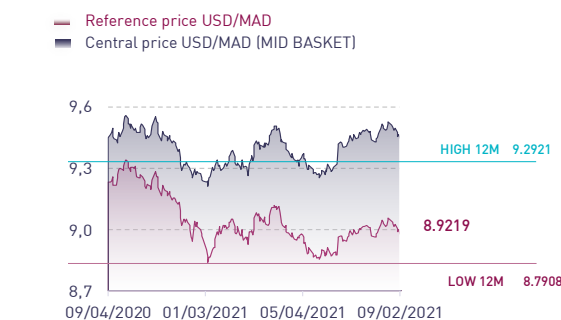
MAIN WEEKLY VARIATIONS



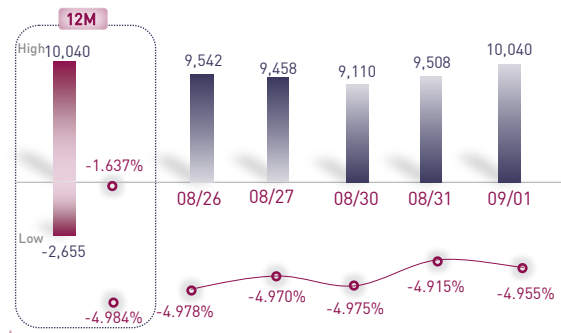
FAITS MARQUANTS À L'INTERNATIONAL



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



The currency position hits a 12M high

The MAD appreciated this week by 0.6% against the dollar. This evolution is explained by a EUR/USD effect of -0.6%. In contrast, the market effect is neutral this week.

In parallel, the spread between the reference price and the MAD central rate remains unchanged at -4.97%. Liquidity spreads remain at levels close to the lower limit of the MAD fluctuation band. The bank foreign exchange position reached an annual high this week at MAD 10 Bn supported by tourism receipts during the summer period in Morocco.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	3.03%	2.02%	5.36%	7.47%	4.04%	5.61%
2 MONTHS	2.93%	1.87%	5.81%	9.40%	6.37%	5.05%
3 MONTHS	3.65%	2.47%	6.02%	7.98%	6.03%	4.93%

Interesting hedging levels of dollar

The increased level of volatility of the EUR / USD parity supports our recommendation to hedge export flows over the short-term horizons. Given the current levels of the dirham as well as the level of market liquidity, we recommend that USD importers to hedge their operations over a 3-month horizon.



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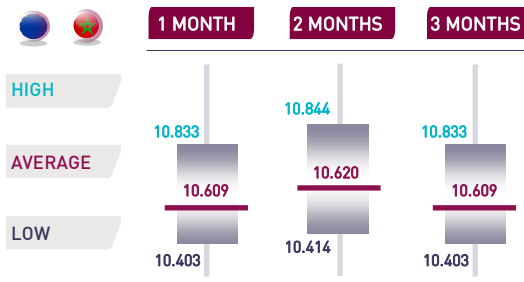
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q4-21	Q1-22	Q2-22	Q3-22	2022	2023	2024	2025
MEDIAN		1.18	1.19	1.20	1.22	1.21	1.19	1.22	1.25
AVERAGE	1.1880	1.19	1.19	1.20	1.22	1.20	1.19	1.21	1.25
+HIGH	09/03/2021	1.26	1.26	1.26	1.25	1.26	1.26	1.25	1.25
+LOW		1.14	1.13	1.12	1.15	1.12	1.10	1.11	1.25
FORWARD		1.19	1.19	1.20	1.20	1.20	1.21	1.23	1.25

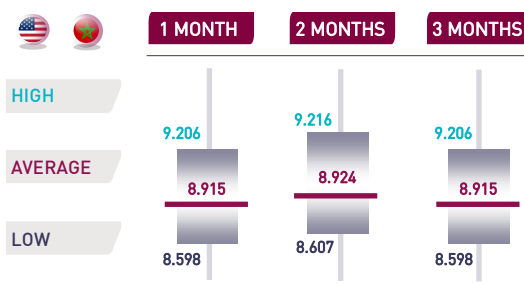
The EUR / USD forecasts of the main international brokers is revised upwards this week. The pair would stand at 1.19 in Q4-21. A level which would remain unchanged by Q1-22. It would approach 1.20 in Q2-22 and 1.22 in Q3-22 to return to 1.20 at the end of 2022. It should fall back to 1.19 in 2023 to reach 1.21 in 2024. For their part, the euro's LT forecasts have been revised upwards. The target level stands at 1.25 against 1.23 a week earlier.

LT expectations of market operators favour the euro in a context marked by growing concerns about the strength of growth in the United States. This was confirmed the week before when the monthly US employment report was released. Indeed, inflationary concerns as well as a slowdown in US employment call into question the strength of the US economic recovery as well as the reduction projections in asset buybacks by the Fed. This situation penalizes the dollar over the SMT.

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 0.1%, 0.0% and 0.1% 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 8.92.

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 in 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	-0,59%	0,36%	-0,37%	0,57%	0,27%	-0,28%
1 MONTH	0,09%	-0,07%	-0,57%	-0,14%	-0,71%	-1,28%
YTD 2021	0,19%	-3,14%	-6,06%	1,82%	1,44%	-3,60%

Prices as of 09/03/2021



APPENDICES

DATA AS OF SEPTEMBER 6TH, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q4-21	Q1-22	Q2-22	2022	2023	2024	2025
FORECAST	USD/JPY	110	111	112	110	113	106	--
FORWARD	110	110	109	109	109	108	107	105
FORECAST	USD/CAD	1.24	1.24	1.23	1.22	1.21	1.17	1.17
FORWARD	1.25	1.25	1.25	1.25	1.25	1.26	1.26	1.26
FORECAST	USD/CHF	0.92	0.92	0.92	0.92	0.92	--	--
FORWARD	0.91	0.91	0.91	0.91	0.90	0.89	0.87	0.86
FORECAST	GBP/USD	1.39	1.40	1.41	1.43	1.42	1.42	--
FORWARD	1.39	1.39	1.39	1.39	1.39	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
Landesbank Baden-Wuerttemberg	09/01/21	1.18	1.16	1.15	1.15	1.18
Australia & New Zealand Banking Group	08/31/21	1.2	1.23	1.25	1.25	1.25
X-Trade Brokers Dom Maklerski	08/31/21	1.18	1.19	1.18	1.19	1.23
Banco Bilbao Vizcaya Argentaria	08/30/21	1.17	1.18	1.2	1.21	1.24
Mouvement Desjardins	08/30/21	1.18	1.19	1.2	1.18	1.19
Swedbank	08/26/21	1.17	1.2	1.18	1.16	1.16
Rabobank	08/20/21	1.17	1.16	1.16	1.17	1.18
Standard Chartered	08/20/21	1.26	1.26	1.26	1.26	1.26
BNP Paribas	08/09/21	1.17	1.16	1.15	1.14	1.32
ING Financial Markets	08/09/21	1.23	1.23	1.2	1.15	1.1
Maybank Singapore	08/04/21	1.24	1.25	1.25	1.25	1.25
PNC Financial	08/03/21	1.18	1.17	1.17	1.17	1.16
United Overseas Bank	08/02/21	1.15	1.14	1.13	1.12	1.11
Intesa Sanpaolo	07/27/21	1.15	1.16	1.19	1.21	1.22
NAB/BNZ	07/26/21	1.23	1.24	1.26	1.3	1.24
Westpac Banking	07/26/21	1.22	1.23	1.22	1.21	1.19
Commonwealth Bank of Australia	07/07/21	1.13	1.12	1.14	1.18	1.3

Prices as of 09/06/2021

ATTIJARI GLOBAL RESEARCH

HEAD OF STRATEGY

Taha Jaidi
+212 5 29 03 68 23
t.jaidi@attijari.ma
Casablanca

MANAGER

Lamyae Oudghiri
+212 5 29 03 68 18
l.oudghiri@attijari.ma
Casablanca

SENIOR ASSOCIATE

Mahat Zerhouni
+212 5 29 03 68 16
m.zerhouni@attijari.ma
Casablanca

ASSOCIATE

Omar Cherkaoui
+212 5 22 49 14 82
o.cherkaoui@attijari.ma
Casablanca

CHIEF ECONOMIST

Abdelaziz Lahlou
+212 5 29 03 68 37
ab.lahlou@attijari.ma
Casablanca

MANAGER

Maria Iraqui
+212 5 29 03 68 01
m.iraqui@attijari.ma
Casablanca

ASSOCIATE

Meryeme Hadi
+212 5 22 49 14 82
m.hadi@attijari.ma
Casablanca

INVESTOR RELATIONS ANALYST

Nisrine Jamali
+212 5 22 49 14 82
n.jamali@attijari.ma
Casablanca

SENIOR ANALYST

Ines Khouaja
+216 31 34 13 10
khouaja.ines@attijaribourse.com.tn
Tunis

FINANCIAL ANALYST

Josiane Ouakam
+237 233 43 14 46
j.ouakam@attijarisecurities.com
Douala

FINANCIAL ANALYST

Jean-Jacques Birba
+225 20 21 98 26
jean-jacques.birba@sib.ci
Abidjan

Equity

BROKERAGE - MOROCCO

Abdellah Alaoui
+212 5 29 03 68 27
a.alaoui@attijari.ma

Rachid Zakaria
+212 5 29 03 68 48
r.zakaria@attijari.ma

Anis Hares
+212 5 29 03 68 34
a.hares@attijari.ma

Alae Yahya
+212 5 29 03 68 15
a.yahya@attijari.ma

Sofia Mohcine
+212 5 22 49 59 52
s.mohcine@wafabourse.com

CUSTODY - MOROCCO

Tarik Loudiyi
+212 5 22 54 42 98
t.loudiyi@attijariwafa.com

UEMOA - CÔTE D'IVOIRE

Mohamed Lemridi
+225 20 21 98 26
mohamed.lemridi@sib.ci

BROKERAGE - TUNISIA

Abdelkader Trad
+225 20 21 98 26
trad.abdelkader@attijaribank.com.tn

CEMAC - CAMEROUN

Sammy N.Ekambi
+237 678 43 87 19
s.ekambi@attijarisecurities.com

Bonds /Forex /Commodities

MOROCCO

Mehdi Mabkhout
+212 5 22 42 87 22
m.mabkhout@attijariwafa.com

Mohammed Hassoun Filali
+212 5 22 42 87 24
m.hassounfilali@attijariwafa.com

Btissam Dakkouni
+212 5 22 42 87 74
b.dakkouni@attijariwafa.com

Dalal Tahoune
+212 5 22 42 87 07
d.tahoune@attijariwafa.com

EGYPT

Mahmoud Bahaa
+202 27 97 04 80
mahmoud.bahaa@barclays.com

TUNISIA

Abdelkader Trad
+216 71 80 29 22
trad.abdelkader@attijaribank.com.tn

MIDDLE EAST - DUBAI

Serge Bahaderian
+971 0 43 77 03 00
sbahaderian@attijari-me.com

WAEMU - CÔTE D'IVOIRE

Abid Halim
+225 20 20 01 55
abid.halim@sib.ci

CEMAC - GABON

Youssef Hansali
+241 01 77 72 42
youssef.hansali@ugb-banque.com

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