



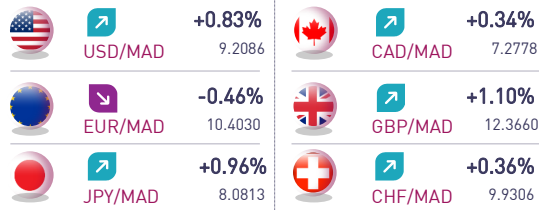
WEEKLY MAD INSIGHTS

CURRENCIES

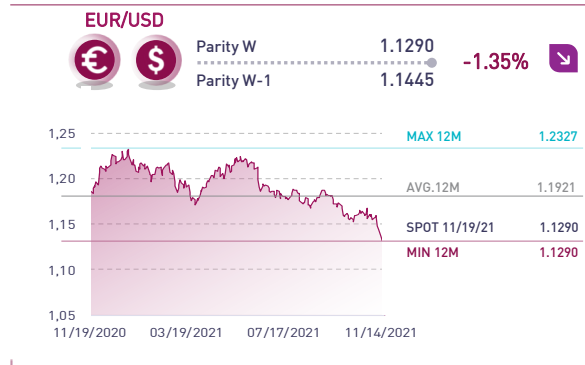
26 NOVEMBER
2021

Week from 11/15/2021 to 11/19/2021

MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



| | USD/MAD | EUR/MAD |
|------------------------------|---------------|---------------|
| Basket ⁽¹⁾ effect | +0.80% | -0.49% |
| 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 | 646 MN |
| | Banks Foreign Exchange position W-1 | 1,907 MN |

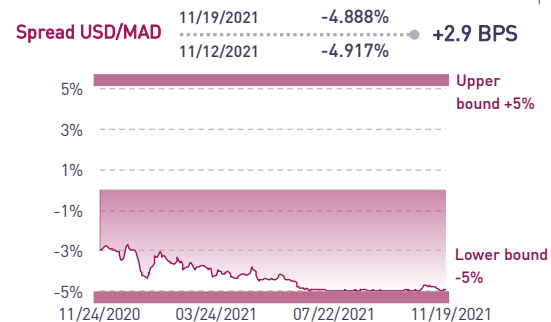
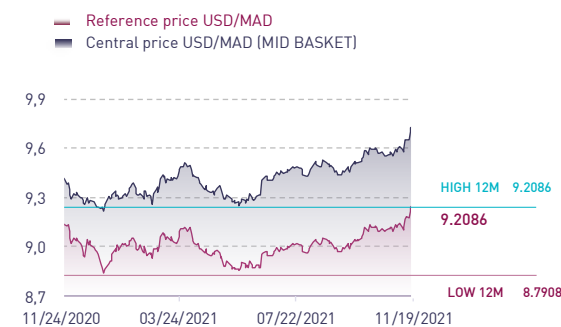
(3) Calculated over the period from 11/09/2021 to 11/15/2021

The EUR continues to slide against the Dollar

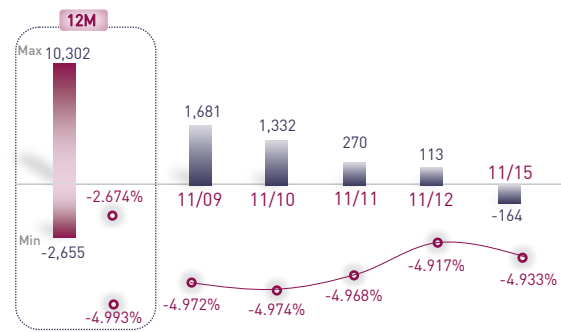
The euro traded lower this week against the dollar at 1.1290 from 1.1445 a week earlier, a weekly negative performance of -1.35%. This can be explained by the expectations of an interest rate hike by the Fed in 2022 and by the absence of a timetable for the tightening of ECB's monetary policy.

Despite inflation above target, the ECB ruled out any monetary tightening. Christine Lagarde confirms the transitory nature of inflation. Such very accommodative speech seems to penalize the European currency.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



USD/MAD above 9.20, a 12-month high

The dirham depreciates for the third consecutive week against the dollar, following the uptrend of the green-back internationally. Thus, the pair USD/MAD stands at 9.20, an annual high.

The liquidity spread between the MAD benchmark and its central price is narrowing this week. It stands at -4.89%, the lowest during H2-21. This is due to market expectations for a resumption of export flows over the ST. For its part, the foreign exchange position goes back to negative territory given the foreign currency purchase from BAM of MAD 55 Mn a week earlier.

VOLATILITY INDICATORS

| | USDMAD | EURMAD | JPYMAD | CADMAD | GBPMAD | CFMAD |
|-----------------|--------|--------|--------|--------|--------|-------|
| 1 MONTH | 4.34% | 2.89% | 5.17% | 5.99% | 8.76% | 5.01% |
| 2 MONTHS | 3.84% | 2.59% | 7.09% | 7.03% | 7.79% | 5.28% |
| 3 MONTHS | 3.66% | 2.43% | 6.58% | 7.48% | 6.87% | 5.33% |

More vigilance in the face of the rising dollar

In a context of high EUR/USD volatility, we recommend adopting hedging strategies over the ST.

Nonetheless, we maintain our central scenario of MAD appreciation against the dollar over the next three months.

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WEEKLY MAD INSIGHTS

CURRENCIES

26 | NOVEMBER
2021

Week from 11/15/2021 to 11/19/2021

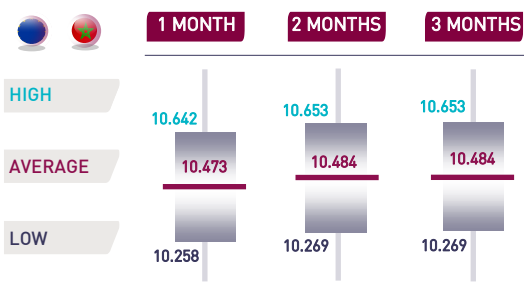
EUR/USD OUTLOOK – BLOOMBERG

| | SPOT | Q4-21 | Q1-22 | Q2-22 | Q3-22 | 2022 | 2023 | 2024 | 2025 |
|----------------|------------|-------|-------|-------|-------|------|------|------|------|
| MEDIANE | | 1.15 | 1.15 | 1.16 | 1.17 | 1.18 | 1.18 | 1.19 | 1.21 |
| AVERAGE | 1.1290 | 1.15 | 1.15 | 1.16 | 1.16 | 1.16 | 1.19 | 1.18 | 1.21 |
| +HIGH | 11/19/2021 | 1.19 | 1.20 | 1.22 | 1.23 | 1.21 | 1.28 | 1.24 | 1.26 |
| +LOW | | 1.10 | 1.09 | 1.07 | 1.06 | 1.05 | 1.11 | 1.11 | 1.12 |
| FORWARD | | 1.13 | 1.14 | 1.14 | 1.14 | 1.14 | 1.16 | 1.18 | 1.20 |

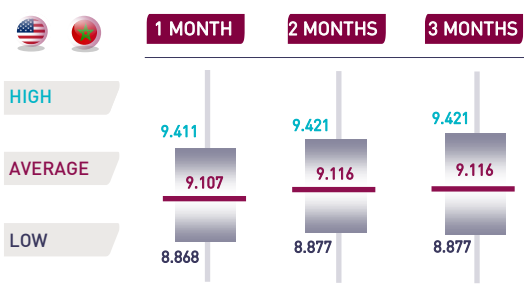
The EUR/USD bullish forecasts of major international brokers were broadly revised downward this week. On the ST, the pair is expected to remain stable at 1.15 from Q4-21 through Q1-22 from 1.16 initially. The pair would move to 1.16 in Q2-22 until the end of 2022, from 1.17 initially, before reaching 1.19 in 2023. It would evolve around 1.18 in 2024 against 1.20 a week earlier. By 2025, the target level is unchanged at 1.21.

The Fed's monetary policy moved toward a gradual normalization with the beginning of the reduction of its asset purchases in November. The recent reappointment of Jerome Powell as head of the Fed confirms this direction over the MT. For its part, the ECB ruled out the hypothesis of a rate hike this week despite high inflation in October and a bullish outlook by the end of the year. Christine Lagarde confirms the accommodative course of the ECB's monetary policy. According to analyst consensus, this divergence between these two orientations favors the dollar over the ST.

AN APPRECIATION SCENARIO ON 1 MONTH, 2 MONTHS AND 3 MONTHS HORIZON



Based on EUR/USD Bloomberg forecast for Q4-21



Based on EUR/USD Bloomberg forecast for Q4-21

Given the evolution of Moroccan market liquidity exchange rates and lower EUR/USD forecasts, we adjusted our USD/MAD forecasts to 1 month, 2 month and 3 month horizons.

Compared to the current spot rate, the MAD appreciates against the dollar at 1, 2 and 3 month horizons. Against the euro, it would depreciate slightly over the same horizons.

The MAD would appreciate against the dollar by 1.1%, 1.0% and 1.0% in 1, 2 and 3 month horizons. The USD/MAD parity would reach 9.11, 9.12 and 9.12 at 1, 2 and 3 month horizons, against an initial forecast of 9.06, 9.07 and 9.07 on the same horizons and against a price spot of 9.21.

Against the euro, the MAD should depreciate by 0.7%, 0.8% and 0.8% over the next 3 months against a spot rate of 10.40. The EUR / MAD parity would reach 10.47, 10.48 and 10.48 at 1, 2 and 3 month horizons against 10.51, 10.52 and 10.52 initially expected.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

| | USD/MAD | EUR/MAD | JPY/MAD | CAD/MAD | GBP/MAD | CHF/MAD |
|-----------------|---------|---------|---------|---------|---------|---------|
| 1 WEEK | +0.83% | -0.46% | +0.96% | +0.34% | +1.10% | +0.36% |
| 1 MONTH | +1.67% | -0.90% | +1.99% | -0.43% | -0.52% | +1.45% |
| YTD 2021 | +3.41% | -4.87% | -6.47% | +4.11% | +1.70% | -1.81% |

Prices as of 11/19/2021



APPENDICES

DATA AS OF NOVEMBER 22TH, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

| | | Q4-21 | Q1-22 | Q2-22 | 2022 | 2023 | 2024 | 2025 |
|-----------------|---------|-------|-------|-------|------|------|------|------|
| FORECAST | USD/JPY | 113 | 113 | 113 | 115 | 112 | 113 | 112 |
| FORWARD | 114 | 114 | 114 | 114 | 113 | 111 | 109 | 107 |
| FORECAST | USD/CAD | 1.24 | 1.24 | 1.23 | 1.21 | 1.22 | 1.24 | 1.25 |
| FORWARD | 1.26 | 1.26 | 1.26 | 1.27 | 1.27 | 1.28 | 1.28 | 1.29 |
| FORECAST | USD/CHF | 0.93 | 0.94 | 0.94 | 0.95 | 0.94 | 0.93 | 0.94 |
| FORWARD | 0.93 | 0.93 | 0.92 | 0.92 | 0.91 | 0.90 | 0.88 | 0.87 |
| FORECAST | GBP/USD | 1.36 | 1.37 | 1.38 | 1.40 | 1.42 | 1.40 | 1.41 |
| FORWARD | 1.35 | 1.35 | 1.35 | 1.34 | 1.34 | 1.34 | 1.35 | 1.35 |

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

| | Date | Q4-2021 | Q1-2022 | Q2-2022 | 2022 | 2023 |
|---------------------------------------|----------|---------|---------|---------|------|------|
| Commonwealth Bank of Australia | 11/19/21 | 1.13 | 1.14 | 1.16 | 1.2 | 1.28 |
| Australia & New Zealand Banking Group | 11/18/21 | 1.13 | 1.13 | 1.13 | 1.15 | 1.16 |
| Nomura Bank International | 11/18/21 | 1.12 | 1.1 | 1.14 | 1.18 | 1.22 |
| Rabobank | 11/18/21 | 1.14 | 1.14 | 1.13 | 1.13 | 1.18 |
| Barclays | 11/16/21 | 1.15 | 1.16 | 1.18 | 1.19 | 1.15 |
| United Overseas Bank | 11/16/21 | 1.15 | 1.14 | 1.13 | 1.12 | 1.11 |
| Morgan Stanley | 11/15/21 | 1.14 | 1.13 | 1.12 | 1.18 | 1.16 |
| Swedbank | 11/15/21 | 1.14 | 1.13 | 1.12 | 1.15 | 1.17 |
| NAB/BNZ | 11/12/21 | 1.15 | 1.16 | 1.17 | 1.2 | 1.25 |
| Banco Bilbao Vizcaya Argentaria | 11/04/21 | 1.17 | 1.18 | 1.2 | 1.21 | 1.24 |
| Landesbank Baden-Wuerttemberg | 11/02/21 | 1.18 | 1.16 | 1.15 | 1.15 | 1.18 |
| Mouvement Desjardins | 10/29/21 | 1.17 | 1.18 | 1.18 | 1.16 | 1.2 |
| Standard Chartered | 10/29/21 | 1.16 | 1.17 | 1.19 | 1.21 | 1.21 |
| TD Securities | 10/29/21 | 1.15 | 1.18 | 1.16 | 1.18 | 1.13 |
| Scotiabank | 10/28/21 | 1.15 | 1.15 | 1.14 | 1.12 | 1.18 |
| X-Trade Brokers Dom Maklerski | 10/28/21 | 1.15 | 1.14 | 1.15 | 1.16 | 1.18 |
| Westpac Banking | 10/26/21 | 1.19 | 1.2 | 1.19 | 1.18 | 1.15 |

Prices as of 11/22/2021

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