



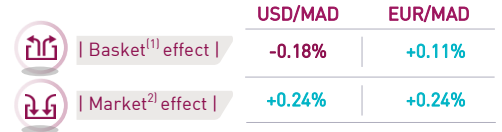
WEEKLY MAD INSIGHTS

CURRENCIES

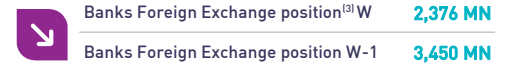
28 | OCTOBER
2021

Week from 10/18/2021 to 10/22/2021

MAIN WEEKLY VARIATIONS

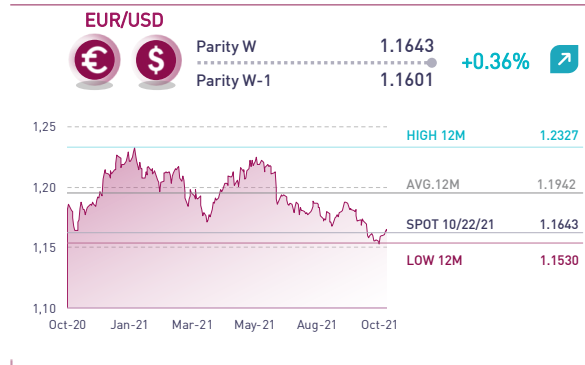


(1) Impact of the variation of the parity EUR/USD
(2) Impact of the variation in the liquidity spread (Supply / Demand)



(3) Calculated over the period from 10/08/2021 to 10/14/2021

INTERNATIONAL HIGHLIGHTS

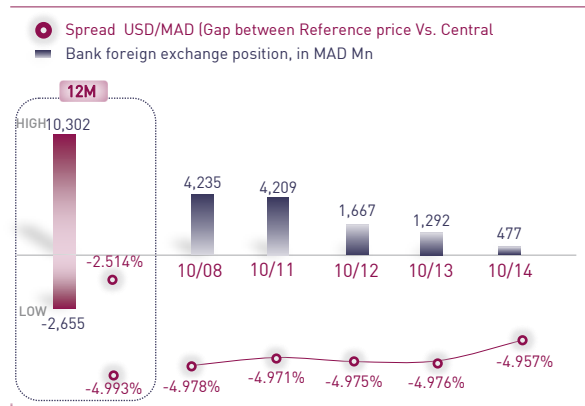
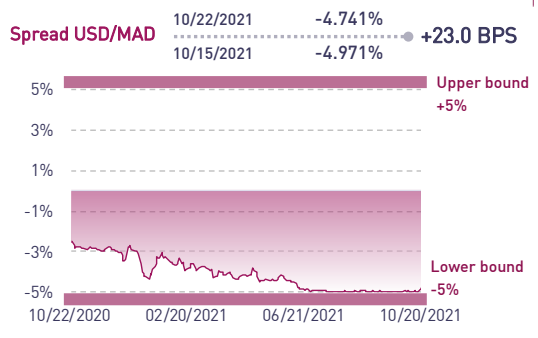
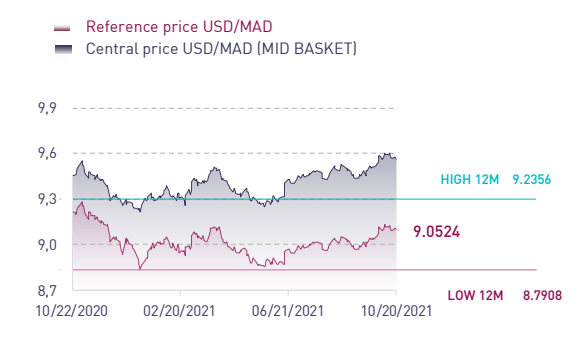


Euro appreciates despite negative data in Europe

The euro continues its bullish trend this week against the dollar. EUR/USD was up +0.36% to 1.164 despite a decline in activity in the Eurozone during October. The PMI Flash Global index fell to 54.3 from 56.2 during September. Likewise, the index Flash in industrial production hits its 16-month low dropping from 55.6 to 53.2 in one month.

In addition, investors remain attentive to the monetary policies of central banks. Deeming inflation transitory, the Governor of the Bank of France recalled that no rate hike by the ECB was planned before the end of 2022.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS

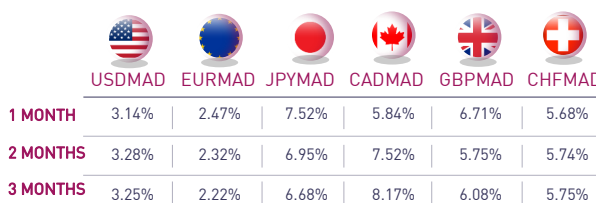


The liquidity effect conditions the MAD evolution

At the end of multiple currency buyback operations by Bank AL-Maghrib during this month of October, the bank foreign exchange position fell from MAD 4.2 Bn to less than MAD 500 Mn in the space of 5 days, i.e. a weekly average of MAD 2.4 Bn.

The MAD's liquidity spread eased by 23.0 BPS to 4.74%, i.e. a highest since mid-June 2021. In view of the evolution of liquidity conditions this week, the MAD depreciates against the US dollar despite the rise in the EUR/USD parity. Originally, a significant liquidity effect of +0.24% this week which offset a basket effect of -0.18%.

VOLATILITY INDICATORS



The drop in the USD/MAD parity interrupted

We reiterate our recommendation to dollar exporting companies to adopt hedging strategies over ST horizons. This approach is relevant in the context of the volatility of the EUR/USD parity internationally.

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WEEKLY MAD INSIGHTS

CURRENCIES

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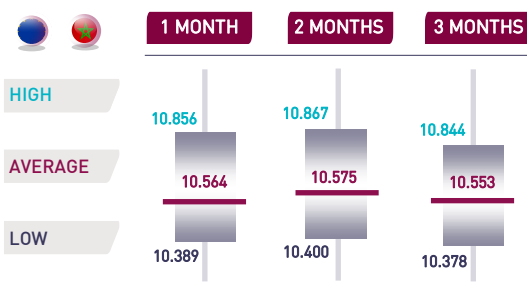
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q4-21	Q1-22	Q2-22	Q3-22	2022	2023	2024	2025
MEDIAN		1.16	1.17	1.17	1.18	1.18	1.18	1.21	1.25
AVERAGE	1.1643	1.17	1.17	1.17	1.18	1.18	1.19	1.20	1.24
+HIGH	10/22/2021	1.26	1.26	1.26	1.26	1.26	1.26	1.25	1.25
+LOW		1.13	1.12	1.11	1.10	1.10	1.10	1.11	1.21
FORWARD		1.17	1.17	1.17	1.17	1.18	1.19	1.21	1.23

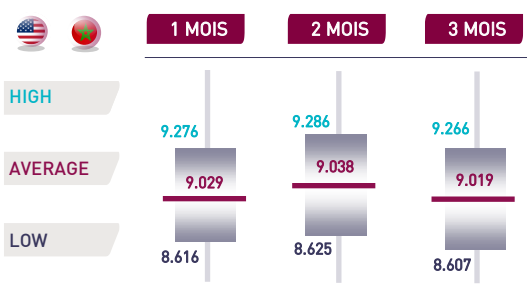
The bullish EUR/USD forecasts of the main international brokers were left almost unchanged this week. In fact, the pair would settle at 1.17 from Q4-21 to Q2-22. This would evolve around 1.18 in Q3-22 until the end of 2022, reaching 1.19 in 2023 and 1.20 in 2024. By 2025, the target level is 1.24 against 1.22 initially.

Despite negative figures for economic activity in the Eurozone, market operators' expectations still favor the euro in a context marked by growing concerns about the strength of growth in the USA and China. The Chinese economy grew by only 4.9% in Q3-2021, against 7.9% the previous quarter, an underperformance linked to the shortage of electricity in the country. However, it would be remembered that the dollar remains supported by the lag in monetary policies on both sides of the Atlantic and by the divergence in the timetable for reducing asset purchases between the Fed and the ECB, i.e. around 12 months.

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

In view of the evolution of the liquidity situation in the Moroccan foreign exchange market this week, we revised upwards our forecasts for the USD/MAD pair over the next 2 months. Within 3 months, we revised slightly downward our forecasts.

Compared to the current spot rate, the MAD shows a slight appreciation against the dollar at 1, 2 and 3 months horizons. Against the euro, it would depreciate over the same horizons.

The MAD would appreciate against the dollar by 0.3%, 0.2% and 0.4% in 1, 2 and 3 month horizons. The USD/MAD parity would reach 9.03, 9.04 and 9.02 at 1, 2 and 3 month horizons, against an initial forecast of 9.01, 9.02 and 9.03 on the same horizons and against a price spot of 9.05.

Against the euro, the MAD would depreciate by 0.2%, 0.3% and 0.1% over the next 3 months against a spot rate of 10.54. The EUR/MAD parity would reach 10.56, 10.58 and 10.55 at 1, 2 and 3 month horizons against 10.54, 10.55 and 10.56 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	+0.06%	+0.35%	+0.55%	+0.22%	+0.37%	+0.85%
1 MONTH	+0.73%	-0.04%	-3.05%	+4.47%	+1.92%	+1.33%
YTD 2021	+1.66%	-3.62%	-7.93%	+5.08%	+2.72%	-2.33%

Prices as of 10/22/2021



APPENDICES

DATA AS OF OCTOBER 25TH, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q4-21	Q1-22	Q2-22	2022	2023	2024	2025
FORECAST	USD/JPY	111	112	112	112	114	110	--
FORWARD	114	114	113	113	113	111	109	107
FORECAST	USD/CAD	1.25	1.25	1.24	1.22	1.22	1.25	1.25
FORWARD	1.24	1.24	1.24	1.24	1.24	1.25	1.25	1.25
FORECAST	USD/CHF	0.93	0.94	0.94	0.94	0.93	0.90	--
FORWARD	0.92	0.91	0.91	0.91	0.90	0.89	0.88	0.86
FORECAST	GBP/USD	1.37	1.38	1.38	1.40	1.42	1.41	--
FORWARD	1.38	1.38	1.38	1.37	1.37	1.37	1.37	1.38

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

	Date	Q4-2021	Q1-2022	Q2-2022	2022	2023
Rabobank	10/22/21	1.16	1.15	1.14	1.15	1.18
Australia & New Zealand Banking Group	10/21/21	1.18	1.20	1.23	1.22	1.22
Handelsbanken	10/14/21	1.22	1.18	1.20	1.16	1.18
Swedbank	10/14/21	1.15	1.14	1.12	1.14	1.16
PNC Financial	10/13/21	1.17	1.17	1.17	1.17	1.16
ING Financial Markets	10/12/21	1.17	1.15	1.13	1.10	1.15
NAB/BNZ	10/11/21	1.15	1.16	1.17	1.20	1.25
Nomura Bank International	10/08/21	1.15	1.17	1.17	1.22	1.25
Banco Bilbao Vizcaya Argentaria	10/05/21	1.17	1.18	1.20	1.21	1.24
Landesbank Baden-Wuerttemberg	09/29/21	1.18	1.16	1.15	1.15	1.18
United Overseas Bank	09/29/21	1.16	1.15	1.14	1.13	1.11
Standard Chartered	09/28/21	1.26	1.26	1.26	1.26	1.26
X-Trade Brokers Dom Maklerski	09/27/21	1.17	1.16	1.15	1.16	1.19
Mouvement Desjardins	09/24/21	1.19	1.20	1.19	1.17	1.18
BNP Paribas	09/20/21	1.15	1.14	1.13	1.12	1.10
Intesa Sanpaolo	09/17/21	1.15	1.16	1.19	1.22	1.24
Barclays	09/14/21	1.18	1.17	1.16	1.15	1.15

Prices as of 10/25/2021

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