



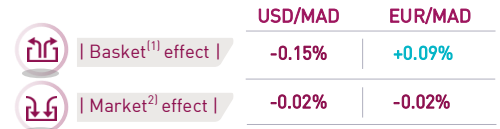
WEEKLY MAD INSIGHTS

CURRENCIES

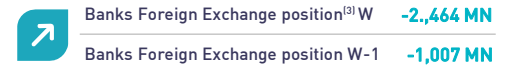
09 | DECEMBER
2021

Week from 11/26/2021 to 12/03/2021

MAIN WEEKLY VARIATIONS

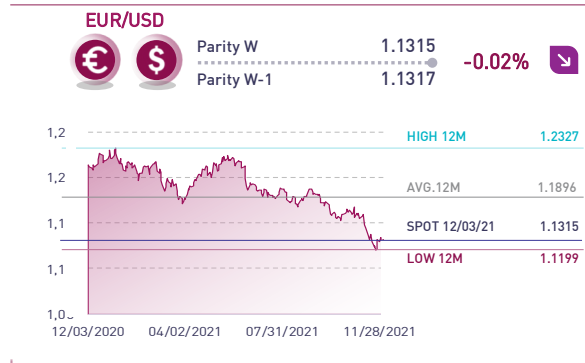


(1) Impact of the variation of the parity EUR/USD
(2) Impact of the variation in the liquidity spread (Supply / Demand)



(3) Calculated over the period from 11/26/2021 to 12/02/2021

INTERNATIONAL HIGHLIGHTS

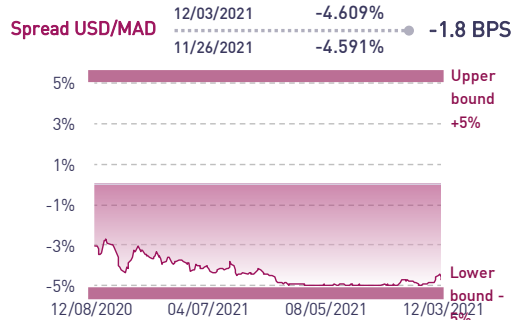
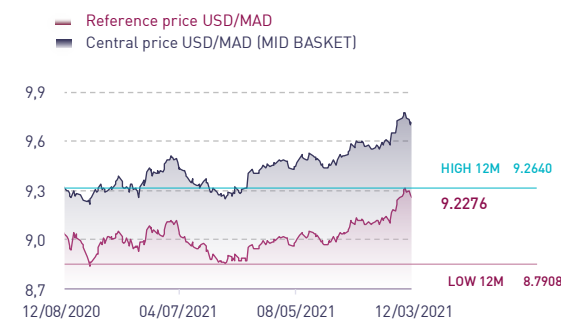


Euro rebound seems to be fading

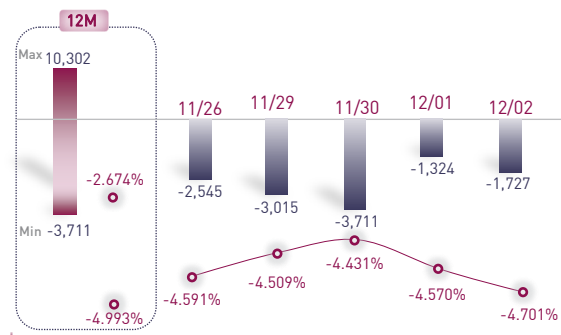
The Euro remained almost stable against the Dollar at 1.1315 this week, ending its rebound following concerns about the new Omicron variant. This is due to Jerome Powell's statements on Tuesday about inflation.

Thus, the Fed would likely accelerate the reduction of its asset purchases to end them sooner than expected. Investors are therefore anticipating an increase in US rates faster than expected. For its part, the ECB still qualifies inflation as transitory in Europe which rules out the scenario of a rate hike in the Euro zone in 2022.

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 Dirham enjoys a significant liquidity

The Dirham has appreciated this week against the Dollar after four successive weeks of MAD depreciation. Indeed, the pair USD/MAD stands at 9.23, a decrease of -0.17% during the past week.

This can be explained by a marked improvement in the banks' foreign exchange position at the end of the week following major export flow transactions on the market. It fell from MAD -3.7 Bn, a 12-month low, to MAD -1.3 Bn. Under these conditions, the liquidity spread between the MAD reference price and its central price is widening by -1.8 BPS. It stands at -4.61%, the lowest since June 2021, against -4.59% a week earlier.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.19%	3.28%	6.68%	8.17%	7.65%	5.60%
2 MONTHS	3.87%	3.00%	7.12%	7.24%	6.93%	5.35%
3 MONTHS	3.72%	2.72%	7.02%	7.72%	6.99%	5.60%

Significant volatility on EUR / USD

The volatility of the MAD against the main benchmark currencies remains relatively high. It even exceeds 7.0% for the JPY / MAD pair.

In view of the liquidity conditions of foreign exchange market and bearish forecasts on the euro in MT, we recommend hedging import operations over ST.

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WEEKLY MAD INSIGHTS

CURRENCIES

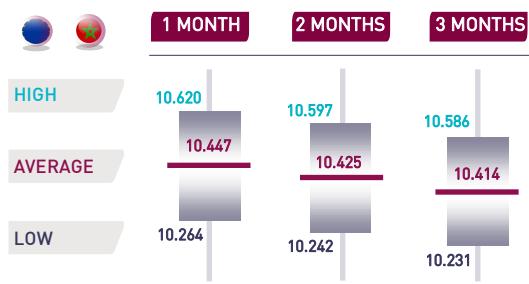
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q1-22	Q2-22	Q3-22	Q4-22	2023	2024	2025	2026
MEDIAN		1.14	1.14	1.15	1.16	1.18	1.21	1.21	1.24
AVERAGE	1.1315	1.13	1.14	1.15	1.15	1.18	1.20	1.22	1.25
+HIGH	12/03/2021	1.18	1.19	1.21	1.21	1.28	1.24	1.26	1.30
+LOW		1.08	1.07	1.06	1.05	1.09	1.11	1.19	1.20
FORWARD		1.13	1.13	1.14	1.14	1.16	1.18	1.20	1.22

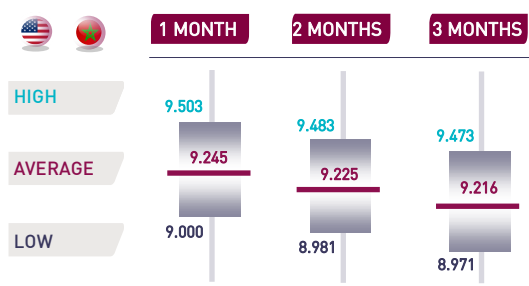
International brokers' EUR / USD forecasts were broadly revised downward this week. In Q1-22, the pair would move to 1.13 against 1.15 a week earlier. In Q2-22 the pair would move to 1.14 versus 1.15 initially, before reaching 1.15 in Q3-22, unchanged, through Q4-22 versus 1.16 initially. It would evolve around 1.18 in 2023 unchanged before reaching 1.20 in 2024 against 1.19 and then 1.22 in 2025 against 1.21 a week earlier. By 2026, the target level is 1.25.

The Fed's restrictive monetary policy stance is confirmed as Jerome Powell considers accelerating the pace of reduction in asset purchases highly likely. Indeed, the Fed now considers the economic recovery in the United States to be solid. As a result, investors expect US rates to hike sooner than expected. For ECB, inflation is still considered transitory and the hypothesis of a rate hike is still ruled out in 2022. The consensus of international brokers thus fell from 1.15 to 1.13 this week over the ST.

A REVISED SCENARIO ON 1 MONTH, 2 MONTHS AND 3 MONTHS HORIZON



Based on EUR/USD Bloomberg forecast for Q1-22



Based on EUR/USD Bloomberg forecast for Q1-22

Given the liquidity conditions of the Dirham and the lower EUR/USD forecasts, we adjusted our USD/MAD forecasts to 1, 2 and 3 month horizons.

Compared to the spot rate, the MAD depreciates against the dollar for 1 month and appreciates against the dollar for 2 and 3 months. Against the Euro, the Dirham should depreciate slightly over 1 month and appreciate over 2 and 3 months.

The Dirham would depreciate against the dollar by 0.2% on a 1-month horizon and appreciate by 0.0% and 0.1% on a 2-month and 3-month horizon. The USD / MAD parity would reach 9.25, 9.23 and 9.22 at 1, 2 and 3 month horizons, against an initial forecast of 9.20, 9.17 and 9.17 on the same horizons and against a spot price of 9.23.

Against the Euro, the MAD should depreciate by 0.1% over 1 month and appreciate by 0.1% and 0.2% over 2 months and 3 months against a spot price of 10.44. The EUR / MAD parity would reach 10.45, 10.43 and 10.41 at 1, 2 and 3 month horizons against 10.48, 10.46 and 10.46 initially.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.17%	0.07%	0.49%	-0.76%	-0.71%	0.48%
1 MONTH	1.67%	-0.73%	2.17%	-1.64%	-1.04%	0.76%
YTD 2021	3.63%	-4.53%	-5.72%	2.84%	0.64%	-0.75%

Prices as of 12/03/2021



APPENDICES

DATA AS OF DECEMBER 6TH, 2021

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q1-22	Q2-22	Q3-22	Q4-22	2023	2024	2025
FORECAST	USD/JPY	114	114	114	115	114	109	108
FORWARD	113	113	113	113	112	111	108	106
FORECAST	USD/CAD	1.24	1.24	1.24	1.23	1.22	1.24	1.24
FORWARD	1.28	1.28	1.28	1.28	1.28	1.29	1.3	1.3
FORECAST	USD/CHF	0.94	0.95	0.94	0.94	0.94	0.93	0.92
FORWARD	0.92	0.92	0.91	0.91	0.91	0.89	0.87	0.86
FORECAST	GBP/USD	1.35	1.36	1.37	1.38	1.42	1.41	1.41
FORWARD	1.32	1.32	1.32	1.32	1.32	1.32	1.33	1.33

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

	Date	Q1-2022	Q2-2022	Q3-2022	Q4-2022	2023
Commerzbank	12/03/21	1.1	1.09	1.08	1.08	1.14
Nomura Bank International	12/03/21	1.11	1.14	1.16	1.18	1.22
Rabobank	12/03/21	1.13	1.13	1.12	1.13	1.18
Australia & New Zealand Banking Group	12/01/21	1.13	1.13	1.14	1.15	1.16
BNP Paribas	12/01/21	1.13	1.12	1.11	1.09	1.09
Standard Chartered	12/01/21	1.17	1.19	1.21	1.21	1.21
Swedbank	12/01/21	1.11	1.12	1.12	1.15	1.17
X-Trade Brokers Dom Maklerski	12/01/21	1.12	1.11	1.13	1.15	1.17
Banco Bilbao Vizcaya Argentaria	11/30/21	1.15	1.17	1.18	1.18	1.2
Mouvement Desjardins	11/29/21	1.12	1.12	1.14	1.16	1.2
Landesbank Baden-Wuerttemberg	11/22/21	1.16	1.15	1.15	1.15	1.18
Maybank Singapore	11/22/21	1.18	1.17	1.18	1.18	1.22
Commonwealth Bank of Australia	11/19/21	1.14	1.16	1.18	1.2	1.28
Barclays	11/16/21	1.16	1.18	1.19	1.19	1.15
United Overseas Bank	11/16/21	1.14	1.13	1.13	1.12	1.11
Morgan Stanley	11/15/21	1.13	1.12	1.15	1.18	1.16
NAB/BNZ	11/12/21	1.16	1.17	1.19	1.2	1.25

Prices as of 12/06/2021

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