



WEEKLY MAD INSIGHTS

CURRENCIES

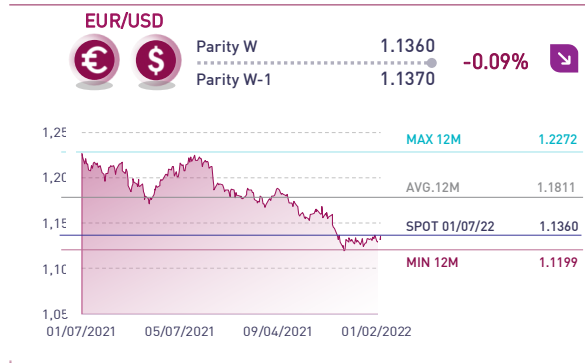
17 JANUARY
2022

Week from 01/03/2021 to 01/07/2021

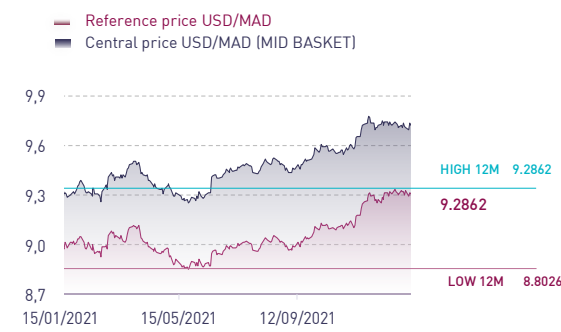
MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	+0.16%	-0.10%
Market ⁽²⁾ effect	-0.10%	-0.10%

(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	-2,897 MN
Banks Foreign Exchange position W-1	-2,685 MN

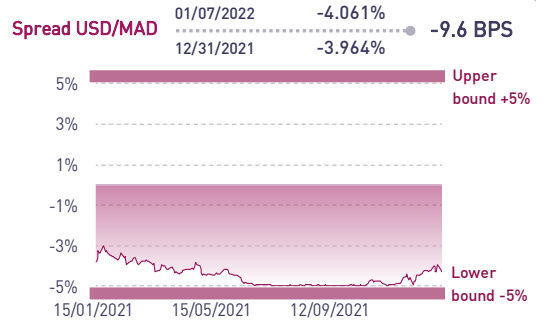
(3) Calculated over the period from 12/20/2021 to 12/24/2021

Employment figures support a rate hike

The single currency fell this week against the dollar by -0.09%, from 1.1370 to 1.1360. The release of the latest FOMC minutes in favor of a rate hike supported the dollar at the start of the week.

However, US nonfarm payrolls data for December, released on Friday, was disappointing. These came in at 199K instead of the expected 400K, less than 50% from the target.

The unemployment rate meanwhile fell back below the 4.0% mark to 3.9%, thus comforting the Fed's less accommodative stance in ST.



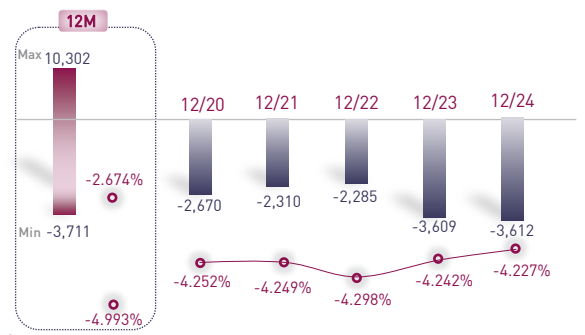
The dollar hits a 15-month high against the dirham

The Dirham continues to depreciate against the Dollar this week at 9.29 by a weekly performance for the first week of 2022 of +0.06%.

For its part, the foreign exchange position of banks stabilized at -3.6 billion dirhams while liquidity spreads remained at their highest since the end of April 2021. The latter stood at -4.1%, down - 10 PBS compared to the previous week.

The evolution of the MAD is explained by a positive basket effect of +0.16% concomitant with the rise of the Dollar internationally. This offset a negative market effect of -0.10% this week.

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



VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	3.88%	3.77%	5.06%	8.55%	5.92%	5.83%
2 MONTHS	4.20%	3.77%	6.15%	8.50%	5.81%	5.92%
3 MONTHS	3.88%	3.40%	6.49%	7.72%	6.65%	5.71%

The Dollar appreciation is confirmed over the ST

Caution is still required in the face of the very high volatility of the Dollar given the change of the Fed's monetary policy in 2022.

We recommend that importers hedge the dollar against the appreciation of the greenback over the next 3 months.

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



Attijari
Global Research



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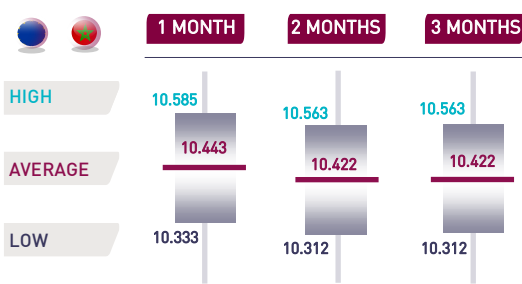
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q1-22	Q2-22	Q3-22	Q4-22	2023	2024	2025	2026
MEDIAN		1.12	1.12	1.13	1.15	1.16	1.20	1.25	1.27
AVERAGE	1.1360	1.12	1.13	1.13	1.14	1.15	1.21	1.22	1.24
+HIGH	01/07/2021	1.16	1.19	1.21	1.23	1.28	1.25	1.26	1.30
+LOW		1.09	1.07	1.06	1.05	1.00	1.16	1.16	1.16
FORWARD		1.14	1.14	1.14	1.15	1.17	1.19	1.21	1.23

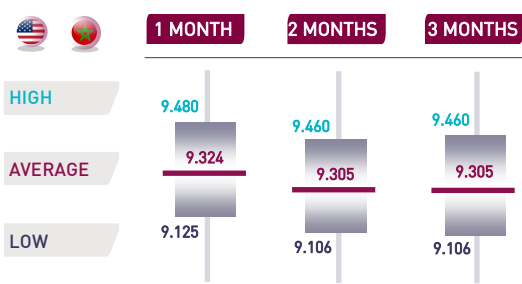
EUR/USD forecasts from international brokers have been revised downwards this week. In Q1-22, the pair would move to 1.12. As of Q2 22, EUR/USD should stabilize at 1.13 against 1.14 a week earlier. The pair would evolve at 1.14 in Q4-22 against 1.15 initially. By 2023, the target is 1.15 against 1.16 initially, before reaching 1.21 in 2024 then 1.22 in 2025. By 2026, the target level is 1.24 against 1.23 initially.

Despite the spread of the Omicron variant and the record number of daily Covid cases in the United States, the Fed remains committed to the tightening of its monetary policy in 2022, with a rate hike as of the March 2022 in order to cope with inflation. For its part, the ECB continues to support the Eurozone economy through its accommodative monetary policy. This shift in monetary policy seems to further favor the dollar at SMT.

UPWARD REVIEW OF OUR 1 MONTH, 2 MONTH AND 3 MONTH HORIZON FORECASTS



Based on EUR/USD Bloomberg forecast for Q1-22



Based on EUR/USD Bloomberg forecast for Q1-22

Given the new MAD liquidity forecasts, we have revised up our USD/MAD forecasts for 1, 2, and 3 months.

Compared to the current spot rate, the MAD is depreciating against the USD at 1, 2 and 3 month horizons. Against the Euro, the Dirham should appreciate on the same horizons.

The Dirham would depreciate by 0.4%, 0.2% and 0.2% over 1, 2 and 3 months. The USD/MAD parity should reach 9.32, 9.31 and 9.31 at horizons of 1, 2 and 3 months against a spot rate of 9.29.

Against the Euro, the MAD would appreciate by 0.5%, 0.7% and 0.7% over the next 1 month, 2 months and 3 months against a spot rate of 10.50.

The EUR/MAD parity should reach 10.44, 10.42 and 10.42 at horizons of 1, 2 and 3 months.

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%	-0.20%	-0.58%	+0.11%	+0.42%	-0.93%
1 MONTH	+0.54%	+0.87%	-1.41%	+0.30%	+2.73%	+0.83%
YTD 2021	+0.06%	-0.20%	-0.58%	+0.11%	+0.42%	-0.93%

Prices as of 01/07/2022



APPENDICES

DATA AS OF JANUARY 10TH, 2022

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q1-22	Q2-22	Q3-22	Q4-22	2023	2024	2025
FORECAST	USD/JPY	115	116	116	115	115	113	--
FORWARD	116	116	115	115	115	113	110	108
FORECAST	USD/CAD	1.26	1.25	1.25	1.24	1.23	1.26	--
FORWARD	1.27	1.27	1.27	1.27	1.27	1.28	1.28	1.28
FORECAST	USD/CHF	0.93	0.95	0.95	0.95	0.96	0.89	--
FORWARD	0.92	0.92	0.92	0.91	0.91	0.89	0.87	0.86
FORECAST	GBP/USD	1.34	1.35	1.36	1.37	1.40	1.44	--
FORWARD	1.36	1.36	1.36	1.35	1.35	1.35	1.36	1.37

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

	Date	Q1-2022	Q2-2022	Q3-2022	Q4-2022	2023
Rabobank	01/07/22	1.11	1.1	1.12	1.12	1.18
BNP Paribas	01/06/22	1.13	1.12	1.11	1.09	1.09
Australia & New Zealand Banking Group	01/05/22	1.13	1.13	1.14	1.15	1.16
X-Trade Brokers Dom Maklerski	01/05/22	1.13	1.11	1.13	1.14	1.16
Morgan Stanley	01/04/22	1.13	1.12	1.15	1.18	1.16
Argentex LLP	12/29/21	1.12	1.11	1.12	1.15	1.19
Banco Bilbao Vizcaya Argentaria	12/28/21	1.14	1.13	1.13	1.13	1.16
ABN Amro	12/24/21	1.09	1.07	1.06	1.05	1
Mouvement Desjardins	12/23/21	1.13	1.14	1.15	1.16	1.2
Scotiabank	12/21/21	1.12	1.1	1.09	1.08	1.1
Canadian Imperial Bank of Commerce	12/20/21	1.11	1.1	1.1	1.1	1.15
Swedbank	12/20/21	1.11	1.12	1.15	1.17	1.17
Landesbank Baden-Wuerttemberg	12/17/21	1.1	1.1	1.13	1.15	1.18
UniCredit	12/16/21	1.12	1.11	1.1	1.1	1.08
Commonwealth Bank of Australia	12/13/21	1.14	1.16	1.18	1.2	1.28
NAB/BNZ	12/13/21	1.1	1.12	1.15	1.17	1.23
Westpac Banking	12/13/21	1.1	1.08	1.09	1.1	1.14

Prices as of 01/10/2022

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

Felix Dikosso
+237 233 43 14 46
f.dikosso@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

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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