



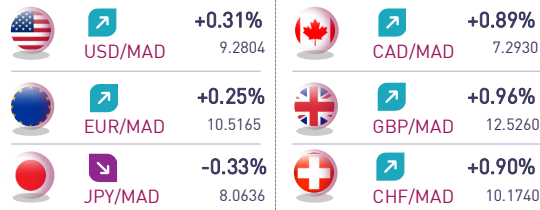
WEEKLY MAD INSIGHTS

CURRENCIES

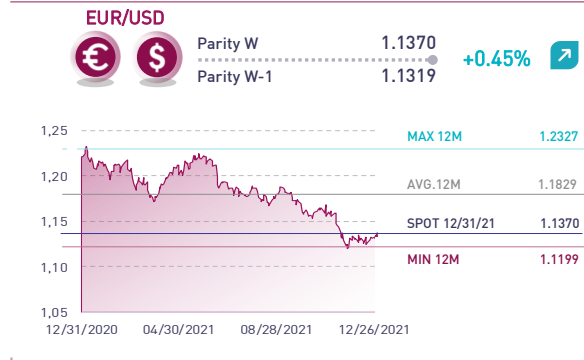
10 | JANUARY
2022

Week from 12/27/2021 to 12/31/2021

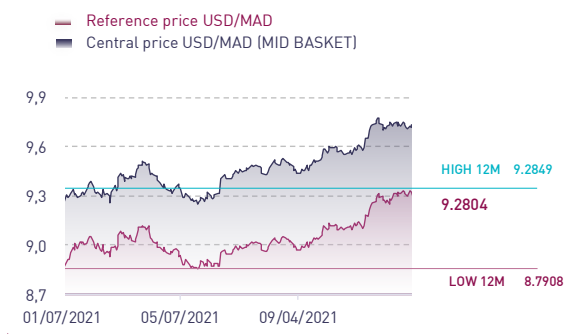
MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	+0.04%	-0.02%
Market ⁽²⁾ effect	+0.27%	+0.27%

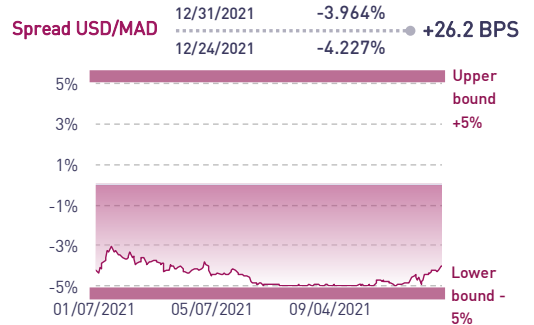
(1) Impact of the variation of the parity EUR/USD
(2) Impact of the variation in the liquidity spread (Supply / Demand)

Banks Foreign Exchange position ⁽³⁾ W	-2,807 MN
Banks Foreign Exchange position W-1	-2,539 MN

(3) Calculated over the period from 12/17/2021 to 12/23/2021

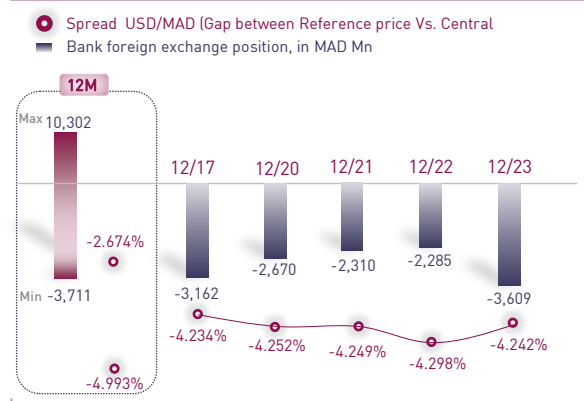
The Euro regains ground against the dollar

The single currency ends 2021 on a positive note with an appreciation against the greenback. The euro soars with a weekly performance of +0.45% from 1.1319 to 1.1370. Despite the unexpected decrease in weekly jobless claims in the United States, the dollar lost ground against the euro by the end of the week. This is a usual year-end effect, commonly referred to as the "Christmas rally". Nevertheless, the underlying trend of the dollar remains on the upside given the shift in the Fed monetary policies and the economic uncertainties regarding the new Omicron variant.



Continued slide of the dirham against the dollar

The MAD depreciated this week against the greenback in a foreign exchange market marked by significant import flows at the end of the year. The banks foreign exchange position was in negative territory at MAD -3.6 Bn, thus bringing the liquidity spreads to their highest since the end of April 2021. The latter are established above the -4.0 % to -3.96%, up by +26 BPS from the previous week. Taking into account the double negative effect (basket and liquidity), the Dirham went above 9.28 against the Dollar.



VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	3.70%	3.93%	5.00%	8.73%	6.26%	5.81%
2 MONTHS	4.09%	3.67%	5.96%	8.47%	7.23%	5.62%
3 MONTHS	3.79%	3.33%	6.64%	7.76%	6.84%	5.56%

The new year starts under high vigilance

Financial markets coexist today with several sources of uncertainty, particularly the impacts the Omicron variant and the recent acceleration in inflation. This situation results in high volatility on the Moroccan foreign exchange market, increasing vigilance. We recommend Corporates adopting very ST hedging strategies.

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WEEKLY MAD INSIGHTS

CURRENCIES

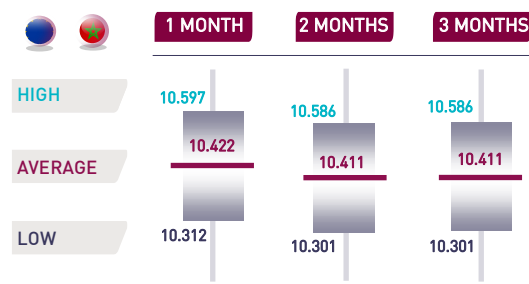
EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q1-22	Q2-22	Q3-22	Q4-22	2023	2024	2025	2026
MEDIAN		1.12	1.12	1.14	1.15	1.17	1.21	1.23	1.24
AVERAGE	1.1370	1.12	1.13	1.14	1.15	1.16	1.21	1.22	1.23
+HAUT	12/31/2021	1.17	1.19	1.21	1.23	1.28	1.25	1.26	1.30
+BAS		1.09	1.07	1.06	1.05	1.00	1.16	1.16	1.16
FORWARD		1.13	1.13	1.14	1.14	1.16	1.18	1.20	1.22

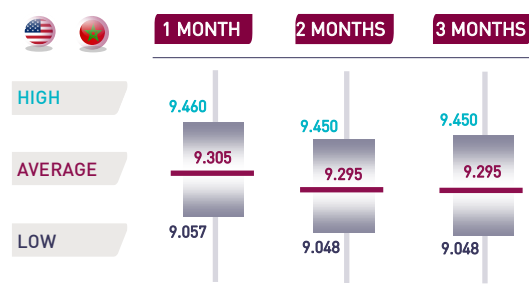
International brokers' EUR / USD forecasts were broadly unchanged this week. In Q1-22, the pair would move to 1.12. In Q2-22 the pair is likely to move to 1.13 unchanged before reaching 1.14 in Q3-22 unchanged. It would evolve to 1.15 in Q4-22 unchanged. The pair would be at 1.16 in 2023 against 1.17 a week earlier, before reaching 1.21 in 2024 and then 1.22 in 2025. By 2026, the target level remains unchanged at 1.23.

Despite the spread of the Omicron variant, the Fed remains committed to tightening its monetary policy in 2022, with three rate hikes now planned by the spring of 2022. For its part, the ECB continues to support the economy of the Euro zone to through its ultra-accommodative monetary policy. This results in the maintenance of its asset purchase program put in place before the outbreak of the Covid-19 crisis, as well as interest rates at floor levels. This shift in monetary policy would further favor the dollar.

SCENARIO MAINTAINED ON 1 MONTH, 2 MONTHS AND 3 MONTHS HORIZONS



Based on EUR/USD Bloomberg forecast for Q1-22



Based on EUR/USD Bloomberg forecast for Q1-22

Given the EUR / USD forecast and MAD's liquidity conditions, we kept our USD/MAD 1, 2, and 3 month forecast unchanged.

Compared to the current spot rate, the MAD depreciates against the USD at 1, 2 and 3 month horizons.

Against the Euro, the Dirham would appreciate on the same horizons.

The Dirham would depreciate against the dollar by 0.3%, 0.2% and 0.2% over 1, 2 and 3 months. The USD/MAD parity is expected to reach 9.31, 9.30 and 9.30 at 1, 2 and 3 month horizons, compared to an initial forecast of 9.31, 9.30 and 9.30 on the same horizons and against a spot price of 9.28.

Against the Euro, the MAD would appreciate by 0.9%, 1.0% and 1.0% on a 1-month, 2-month and 3-month horizon against a spot price of 10.52. The EUR / MAD parity would reach 10.42, 10.41 and 10.41 at 1, 2 and 3 month horizons against 10.42, 10.41 and 10.41 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	+0.31%	+0.25%	-0.33%	+0.89%	+0.96%	+0.90%
1 MONTH	+0.63%	+0.64%	-0.87%	+0.83%	+1.98%	+1.44%
YTD 2021	+4.22%	-3.83%	-6.68%	+4.33%	+3.02%	+0.59%

Prices as of 12/31/2021



APPENDICES

DATA AS OF JANUARY 4TH, 2022

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q1-22	Q2-22	Q3-22	Q4-22	2023	2024	2025
FORECAST	USD/JPY	114	115	115	115	115	109	--
FORWARD	115	115	115	115	114	113	110	108
FORECAST	USD/CAD	1.26	1.25	1.25	1.24	1.22	1.26	1.28
FORWARD	1.28	1.28	1.28	1.28	1.28	1.29	1.29	1.29
FORECAST	USD/CHF	0.93	0.94	0.94	0.94	0.95	0.89	--
FORWARD	0.92	0.92	0.91	0.91	0.91	0.89	0.87	0.86
FORECAST	GBP/USD	1.34	1.35	1.36	1.37	1.40	1.41	--
FORWARD	1.34	1.34	1.34	1.34	1.34	1.34	1.35	1.35

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

	Date	Q1-2022	Q2-2022	Q3-2022	Q4-2022	2023
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
Rabobank	12/17/21	1.11	1.1	1.12	1.12	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
CIMB	12/09/21	1.13	1.11	1.09	1.12	1.1
Credit Agricole CIB	12/07/21	1.14	1.15	1.16	1.18	1.21
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

Prices as of 04/01/2022

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