



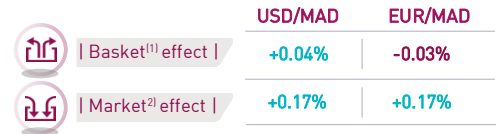
WEEKLY MAD INSIGHTS

CURRENCIES

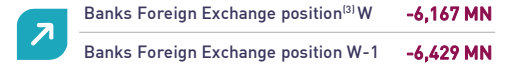
22 MARCH
2022

Week from 03/07/2022 to 03/11/2022

MAIN WEEKLY VARIATIONS

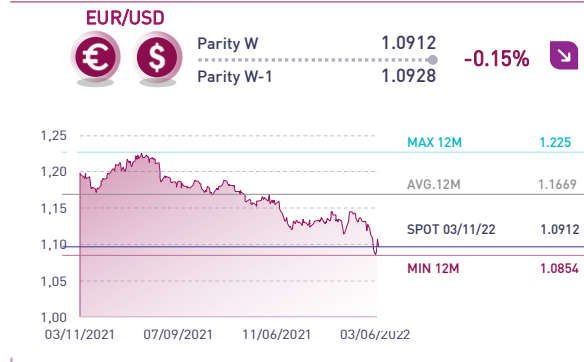


(1) Impact of the variation of the parity EUR/USD
(2) Impact of the variation in the liquidity spread (Supply / Demand)



(3) Calculated over the period from 02/28/2022 to 03/04/2022

INTERNATIONAL HIGHLIGHTS



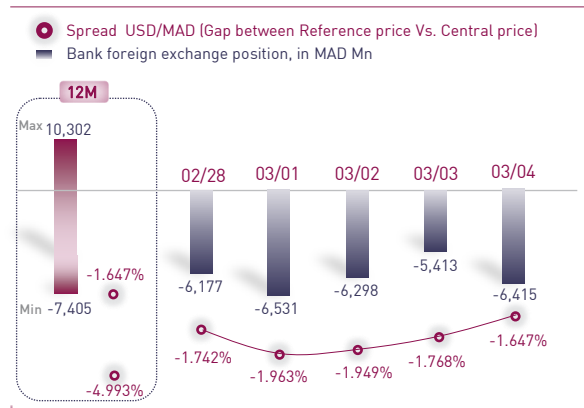
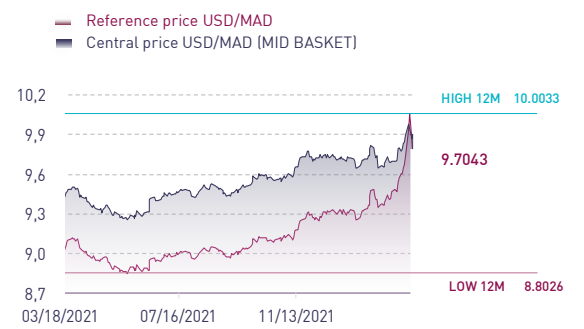
The war in Ukraine weighs on the Euro

The single currency is still at a near 2 year low. In fact, the euro fell this week by -0.15% against the dollar, falling from 1.0928 to 1.0912 at the closing on Friday.

The uncertainties surrounding the recovery of the economy in Europe, linked in particular to the surge in commodity prices, are penalizing the Euro.

On the monetary side, the ECB decided last Thursday to keep its key rates unchanged and plans to end the net asset purchase program in Q3-22 if inflation remains high. The Fed, meanwhile, is expected to raise its key rates by 25 PBS at the March 16 FOMC meeting.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



Currency position at 3-year lows

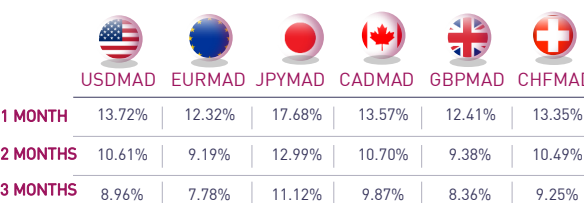
The USD/MAD parity rose by +0.21% to 9.70 this week, a 20-month high.

At the origin of this depreciation of the MAD, a double positive *basket/liquidity effect* of +0.04% and +0.17% respectively.

MAD liquidity spreads increase by almost 17 PBS in one week. The latter stood at -1.5%, i.e. their highest since August 2020. They even moved into positive territory, before returning to current levels.

The foreign exchange position of banks remains in deficit at -6.2 billion dirhams on a weekly average, i.e. the lowest in three years.

VOLATILITY INDICATORS



Shorter hedging horizons strongly advised

The uncertainties of the situation in Ukraine are fueling currency volatility. This exceeded the 10% threshold against the MAD over the last month, i.e. the highest levels since the start of the Covid crisis.

On the basis of liquidity conditions, we recommend that importers reduce their hedging horizons.

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WEEKLY MAD INSIGHTS

CURRENCIES

22 MARCH
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EUR/USD OUTLOOK – BLOOMBERG

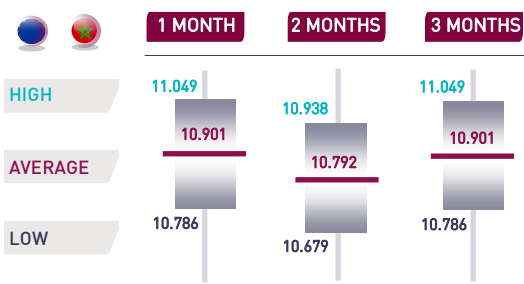
	SPOT	Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025	2026
MEDIAN		1.12	1.15	1.15	1.16	1.18	1.20	1.24	1.20
AVERAGE	1.0912	1.12	1.14	1.15	1.16	1.17	1.20	1.21	1.21
+HIGH	03/11/2022	1.17	1.18	1.20	1.22	1.23	1.25	1.26	1.27
+LOW		1.08	1.08	1.07	1.08	1.05	1.13	1.16	1.16
FORWARD		1.10	1.11	1.11	1.12	1.13	1.15	1.17	1.18

EUR/USD forecasts from international brokers have been broadly stable this week. In Q2-22, the pair would trade at 1.12 versus 1.13 a week earlier. The pair would settle at 1.14 in Q3-22 then at 1.15 in Q4-22 against 1.14 initially. In Q1-23, this would evolve to 1.16 and in 2023, the target is 1.17 before reaching 1.20 in 2024. The pair's target level is 1.21 in 2025, against 1.22 a week earlier, and 1.21 by 2026.

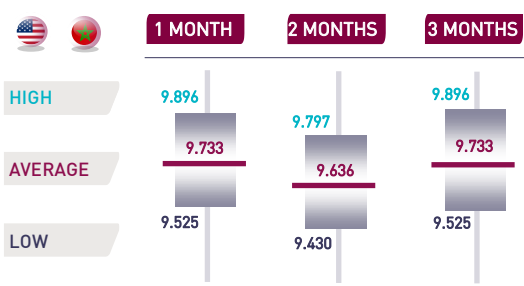
The single currency is penalized on the CT by the uncertainties around the evolution of geopolitical tensions and the immediate consequences on the strength of European growth in 2022.

The Fed is expected to raise its key rates by 25 PBS on Wednesday March 16 and continue the normalization of its monetary policy in the face of elevated inflation. For its part, the ECB could end its net asset purchase program in Q3-22, which opens the way to a rate hike by the end of 2022. Furthermore, the emergence of a Recession risk in Europe further favors the dollar on the ST.

MAINTENANCE OF OUR 1 MONTH, 2 MONTH AND 3 MONTH HORIZON FORECASTS



Based on EUR/USD Bloomberg forecast for Q2-22



Based on EUR/USD Bloomberg forecast for Q2-22

Given the EUR/USD forecasts and MAD liquidity, we maintain our 1, 2, and 3 month MAD forecasts.

Compared to the spot rate, the MAD is depreciating against the USD on a 1-month horizon, rising on a 2-month horizon and depreciating on a 3-month horizon.

Against the Euro, the Dirham should depreciate at the different horizons 1, 2 and 3 months.

The USD/MAD parity should reach at target of 9.73 then 9.64 before returning to 9.73 at horizons of 1, 2 and 3 months against a spot rate of 9.70.

The EUR/MAD parity should reach 10.90 then 10.79 before returning to 10.90 at horizons 1, 2 and 3 months against a spot rate of 10.66.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.21%	+0.14%	-1.16%	-0.04%	-1.36%	-1.26%
1 MONTH	+3.92%	+0.17%	+3.10%	+3.53%	+0.30%	+3.50%
YTD 2022	+4.57%	+1.35%	+2.92%	+4.19%	+1.42%	+2.49%

Prices as of 03/11/2022



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APPENDICES

DATA AS OF MARCH 14TH, 2022

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025
FORECAST	USD/JPY	116	116	116	117	115	109	107
FORWARD	117	117	116	116	115	113	110	107
FORECAST	USD/CAD	1.26	1.25	1.24	1.24	1.23	1.25	1.27
FORWARD	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.28
FORECAST	USD/CHF	0.93	0.93	0.92	0.93	0.93	0.92	0.95
FORWARD	0.93	0.93	0.92	0.92	0.91	0.90	0.88	0.87
FORECAST	GBP/USD	1.35	1.36	1.38	1.38	1.40	1.42	1.42
FORWARD	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31

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

	Date	Q2-2022	Q3-2022	Q4-2022	Q1-2023	2023
Credit Agricole CIB	03/11/22	1.11	1.12	1.15	1.16	1.21
Commerzbank	03/11/22	1.12	1.14	1.16	1.15	1.12
Nomura Bank International	03/10/22	1.08	1.1	1.14	--	1.2
Commonwealth Bank of Australia	03/09/22	1.16	1.18	1.2	1.22	1.28
Banco Santander	03/09/22	1.13	1.17	1.18	1.2	--
Australia & New Zealand Banking Group	03/08/22	1.14	1.15	1.17	1.18	1.19
Investec	03/08/22	1.15	1.18	1.18	1.2	1.22
Landesbank Baden-Wuerttemberg	03/08/22	1.1	1.09	1.08	1.08	1.1
Argentex LLP	03/07/22	1.12	1.11	1.12	1.15	1.19
TD Securities	03/07/22	1.14	1.17	1.19	1.2	1.23
Rabobank	03/04/22	1.08	1.09	1.11	--	1.18
Swedbank	03/04/22	1.12	1.14	1.15	1.16	1.18
Alpha Bank	03/03/22	1.13	1.14	1.15	1.16	1.16
X-Trade Brokers Dom Maklerski	03/03/22	1.09	1.08	1.1	--	1.12
Morgan Stanley	03/01/22	1.12	1.15	1.18	1.18	1.16
Banco Bilbao Vizcaya Argentaria	02/28/22	1.12	1.13	1.13	--	1.16
Mouvement Desjardins	02/28/22	1.14	1.16	1.17	--	1.2

Prices as of 03/14/2022

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