



# WEEKLY MAD INSIGHTS

## CURRENCIES

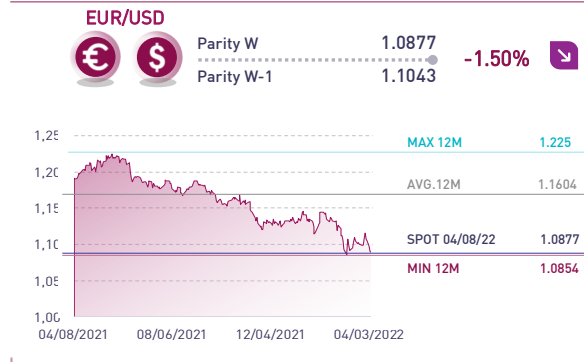
15 APRIL  
2022

Week from 04/04/2022 to 04/08/2022

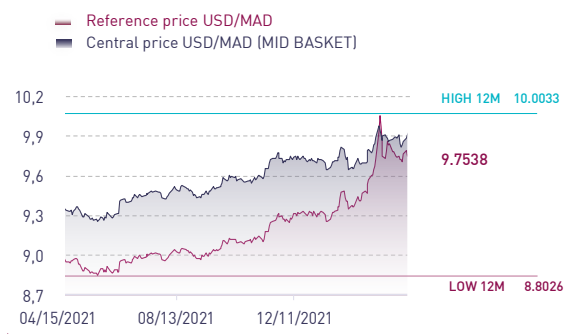
### MAIN WEEKLY VARIATIONS



### INTERNATIONAL HIGHLIGHTS



### MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket <sup>(1)</sup> effect	<b>+1.07%</b>	<b>-0.69%</b>
Market <sup>(2)</sup> effect	<b>-0.73%</b>	<b>-0.73%</b>

(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 <sup>(3)</sup> W	<b>-2,911 MN</b>
Banks Foreign Exchange position W-1	<b>-4,218 MN</b>

(3) Calculated over the period from 04/01/2022 to 04/07/2022

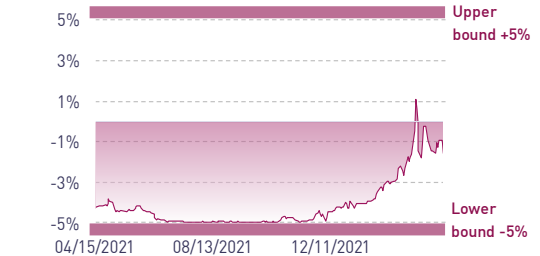
#### A context of uncertainty that favours the Dollar

The euro depreciated sharply this week against the dollar by -1.50% falling from 1.1043 to 1.0877, a 2-year low.

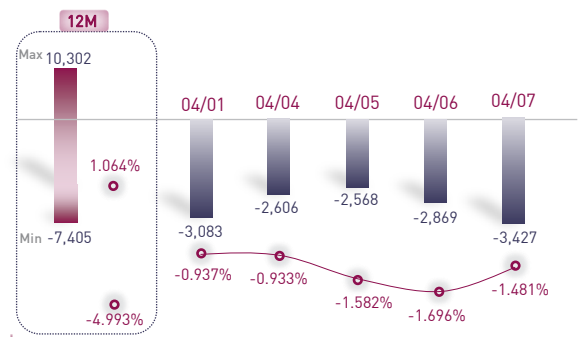
This poor performance is mainly due to two factors. On the one hand, the Fed's will continue the tightening of its monetary policy supported thanks to solid unemployment figures and high levels of inflation.

We recall that the Reserve had already begun its cycle of monetary tightening at its last meeting held on March 16, by raising the Fed Fund Rate by 1/4 point. On the other hand, the economic slowdown in Europe benefits the dollar as a safe haven.

Spread USD/MAD	04/08/2022	<b>-1.660%</b>
	04/01/2022	<b>-0.937%</b>
		<b>-72.3 BPS</b>



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



#### The rise of the Dollar internationally penalizes the MAD

The MAD is depreciating this week against the USD. The USD/MAD pair evolves by +0.34%. The basket effect stands at +1.07%, offsetting the liquidity effect.

Liquidity conditions in the interbank foreign exchange market have improved this week. This is an increase in the foreign exchange position of banks from -4.2 billion dirhams on average weekly to -2.9 billion dirhams this week.

At the same time, the Dirham's liquidity spreads came out in negative territory this week and widened by -72 BPS, going from -0.9% to -1.7%, i.e. a 1-month low.

### VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	10.42%	12.67%	15.07%	11.13%	12.11%	12.18%
2 MONTHS	10.54%	10.32%	15.61%	11.43%	10.51%	11.00%
3 MONTHS	9.47%	9.01%	13.34%	10.39%	9.20%	9.90%

#### A currency market characterized by volatility

The uncertainties surrounding the situation in Ukraine and the impacts on economic growth in Europe are fueling currency volatility.

The MAD volatility threshold has reached its highest since the start of the Covid-19 crisis. In this context, we recommend considerably reducing the hedging horizons on the MAD.

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



# WEEKLY MAD INSIGHTS

## CURRENCIES

15 | APRIL  
2022

Week from 04/04/2022 to 04/08/2022

### EUR/USD OUTLOOK – BLOOMBERG

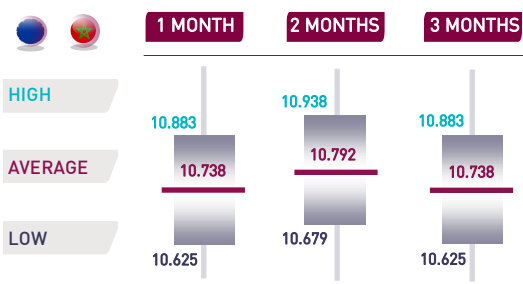
	SPOT	Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025	2026
<b>MEDIAN</b>		1.10	1.12	1.14	1.15	1.16	1.20	1.19	1.20
<b>AVERAGE</b>	1.0877	1.10	1.12	1.13	1.14	1.16	1.19	1.19	1.19
<b>+HIGH</b>	04/08/2021	1.16	1.18	1.20	1.22	1.23	1.25	1.27	1.21
<b>+LOW</b>		1.06	1.05	1.05	1.05	1.05	1.09	1.10	1.16
<b>FORWARD</b>		1.09	1.10	1.11	1.11	1.13	1.15	1.17	1.19

EUR/USD forecasts from international brokers have been broadly stable this week. In Q2-22, the pair would trade at 1.10 versus 1.11 a week earlier. The pair would settle at 1.12 in Q3-22 and then at 1.13 in Q4-22. In Q1-23, this would change to 1.14. Finally in 2023, the target is 1.16, before reaching 1.19 in 2024 and 2025. The target level for the pair is 1.19 by 2026, against 1.21 initially.

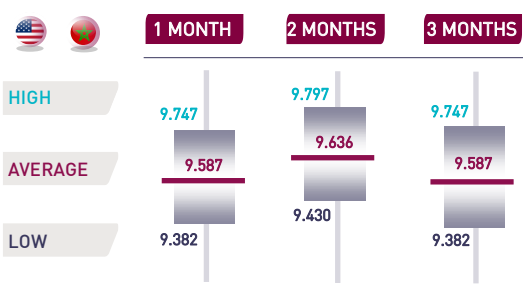
The single currency is penalized on the ST by the situation in Ukraine, the impact of economic sanctions against Russia and the surge in commodity prices. In this context, the ECB has still not set out an orientation toward the normalization of its monetary policy. In the United States, the labor market is deemed strong in the latest FOMC minutes release. The unemployment rate hit 3.6%, a 2-year low. Therefore, the Fed should continue its monetary tightening process.

The fragility of growth in Europe and the divergence of monetary policy normalization between the Fed and the ECB further favor the dollar on the ST.

### OUR 1-MONTH, 2-MONTH AND 3-MONTH HORIZON FORECASTS MAINTAINED



Based on EUR/USD Bloomberg forecast for Q2-22



Based on EUR/USD Bloomberg forecast for Q2-22

Given the EUR/USD forecast and MAD liquidity conditions, we have maintained our 1, 2, and 3 month MAD forecasts.

Compared to the spot price, the MAD has appreciated against the USD over 1, 2 and 3 months.

Against the Euro, the Dirham should depreciate over the same horizons.

The USD/MAD parity should reach 9.59 then 9.64 before reaching 9.59 at horizons 1, 2 and 3 months against a spot rate of 9.75.

The EUR/MAD parity should reach 10.74 then 10.79 before reaching 10.74 at horizons 1, 2 and 3 months against a spot rate of 10.59.

### MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
<b>1 WEEK</b>	+0.34%	-1.42%	-1.02%	-0.42%	-0.45%	-0.78%
<b>1 MONTH</b>	-2.49%	-2.83%	-9.18%	-0.63%	-3.15%	-3.38%
<b>YTD 2022</b>	+5.10%	+0.71%	-2.58%	+6.24%	+1.45%	+2.54%

Prices as of 04/08/2022



Attijari  
Global Research



# APPENDICES

DATA AS OF APRIL 12<sup>TH</sup>, 2022

## APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025
<b>FORECAST</b>	USD/JPY	120	120	120	120	117	116	115
<b>FORWARD</b>	126	125	125	124	123	120	116	112
<b>FORECAST</b>	USD/CAD	1.25	1.25	1.25	1.24	1.23	1.24	1.28
<b>FORWARD</b>	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
<b>FORECAST</b>	USD/CHF	0.94	0.94	0.94	0.94	0.93	0.93	0.94
<b>FORWARD</b>	0.93	0.93	0.92	0.92	0.91	0.89	0.87	0.85
<b>FORECAST</b>	GBP/USD	1.32	1.33	1.34	1.35	1.39	1.41	1.42
<b>FORWARD</b>	1.3	1.30	1.30	1.31	1.31	1.32	1.33	1.34

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

	Date	Q2-2022	Q3-2022	Q4-2022	Q1-2023	2023
Maybank Singapore	04/11/22	1.12	1.13	1.15	1.15	1.2
Banco Bilbao Vizcaya Argentaria	04/08/22	1.08	1.11	1.13	1.14	1.17
Commerzbank	04/08/22	1.12	1.14	1.16	1.15	1.12
ING Financial Markets	04/08/22	1.08	1.08	1.1	1.11	1.15
NAB/BNZ	04/08/22	1.11	1.13	1.15	1.17	1.23
Argentex LLP	04/07/22	1.06	1.09	1.1	1.12	1.15
RBC Capital Markets	04/07/22	1.1	1.09	1.08	1.07	1.09
Alpha Bank	04/06/22	1.11	1.13	1.14	1.15	1.15
Axis Bank	04/04/22	1.15	1.11	1.12	1.13	1.13
Investec	04/04/22	1.12	1.14	1.15	1.16	1.18
Swedbank	04/04/22	1.12	1.14	1.15	1.16	1.18
Rabobank	04/01/22	1.1	1.1	1.1	1.12	1.18
BNP Paribas	03/31/22	1.11	1.13	1.14	1.15	1.2
Barclays	03/30/22	1.09	1.12	1.15	1.15	1.15
Mouvement Desjardins	03/30/22	1.12	1.14	1.16	1.18	1.23
Scotiabank	03/30/22	1.1	1.09	1.08	--	1.1
Landesbank Baden-Wuerttemberg	03/29/22	1.1	1.09	1.08	1.08	1.1

Prices as of 04/12/2022

# 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

Walid Kabbaj  
+212 5 22 49 14 82  
w.kabbaj@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

## DISCLAIMER

**RISKS**  
Investment in Securities is a risky operation. This document is intended for informed investors. The value and yield of an investment can be influenced by several factors both economic and technical. Previous performances of the different assets classes do not constitute a guarantee for subsequent achievements. Furthermore, forecast of future achievements may be based on assumptions that could not be realized.

**LIABILITY LIMITS**  
The investor acknowledges that these opinions constitute an element of decision support. He assumes full responsibility for his investment choices. Attijari Global Research can't be considered responsible for his investment choices. This document can under no circumstances be considered as an official confirmation of a transaction addressed to a person orally and no guarantee can be made that this transaction will be concluded on the basis of the terms and conditions contained in this document or on the basis of other conditions. Attijari Global Research has neither verified nor conducted an independent analysis of the information contained in this document. Therefore, Attijari Global Research doesn't make any statement or guarantee and makes no commitment to this document's readers, in any way whatsoever regarding the relevance, accuracy or completeness of the information contained therein. In any case, readers should collect the internal and external opinions they deem necessary, including from lawyers, tax specialists, accountants, financial advisers, or any other experts, to verify the adequacy of the transactions which are presented to them. The final decision is the sole responsibility of the investor. Attijari Global Research can not be held responsible for financial losses or any decision made on the basis of the information contained in its presentations.

**INFORMATION SOURCE**  
Our publications are based on public information. Attijari Global Research strives for the reliability of the information provided. However, it is unable to guarantee its veracity or completeness. The opinions provided are expressed only by the analysts writers. This document and all attachments are based on public information and may in no circumstances be used or considered as a commitment from Attijari Global Research.

**CHANGE OF OPINION**  
The expressed recommendations reflect an opinion consisting of available and public elements during the preparation period of the said note. The views, opinions and other information expressed in this document are indicative and may be modified or removed at any time without prior notice.

**INDEPENDENCE OF OPINION**  
Attijari Global Research preserves full independence regarding the opinions and recommendations issued. As a result, the investment decisions of Attijariwafa bank Group subsidiaries may conflict with the recommendations and / or strategies published in the Research notes.

**REMUNERATION AND BUSINESS STREAM**  
Financial analysts responsible for the preparation of this report receive remunerations based on various factors, among which the quality of the research and the relevance of the topics discussed. Attijariwafa bank Group maintains a business stream with the companies covered in the publications of Attijari Global Research.

**ADEQUACY OF OBJECTIVES**  
The various publications of Attijari Global Research are prepared excluding the individual financial circumstances and objectives of persons who receive them. The instruments and discussed strategies may not be appropriate for the different investor profiles. For this reason, making an investment decision solely on these opinions may not lead to the intended objectives.

**OWNERSHIP AND DIFFUSION**  
This document is the property of Attijari Global Research. It may not be duplicated or copied partially or fully without the written consent of the management of Attijari Global Research. This document can be distributed only by Attijari Global Research or one of Attijariwafa bank Group's subsidiaries.

**SUPERVISORY AUTHORITIES**  
Attijari Global Research is subject to the supervision of the regulatory authorities for the various countries of presence. These include AMMC in Morocco, CMF in Tunisia, CREPMF in WAEMU, COSUMAF in CEMAC and CMA in Egypt. Any person accepting to receive this document is bound by the terms above.

par l'organe de contrôle relatif aux différents pays de présence. Il s'agit plus précisément de l'AMMC au Maroc, de la CMF en Tunisie, de la CREPMF à l'UEMOA, de la COSUMAF à la CEMAC et de la CMA en Egypt. Toute personne acceptant la réception de ce document est liée par les termes ci-dessus.