



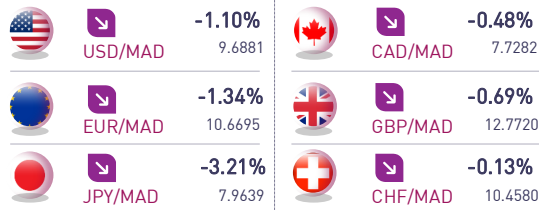
WEEKLY MAD INSIGHTS

CURRENCIES

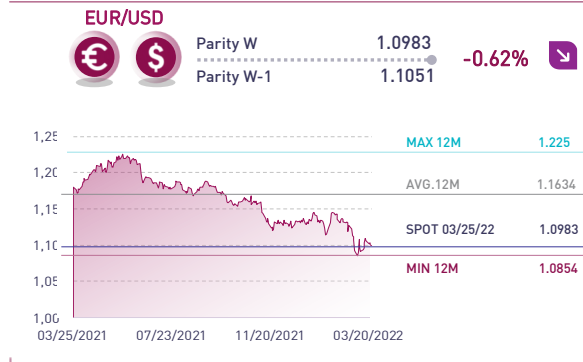
01 | APRIL
2022

Week from 03/21/2022 to 03/25/2022

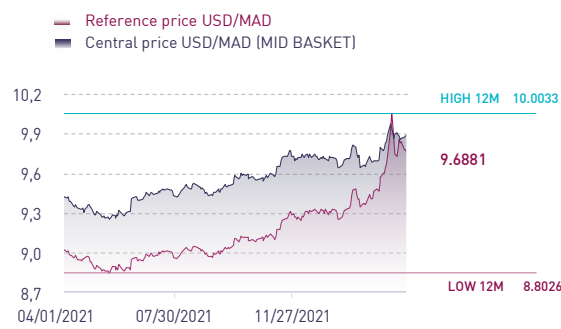
MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	+0.15%	-0.09%
Market ⁽²⁾ effect	-1.25%	-1.25%

(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	-4,577 MN
Banks Foreign Exchange position W-1	-5,299 MN

(3) Calculated over the period from 03/16/2022 to 03/22/2022

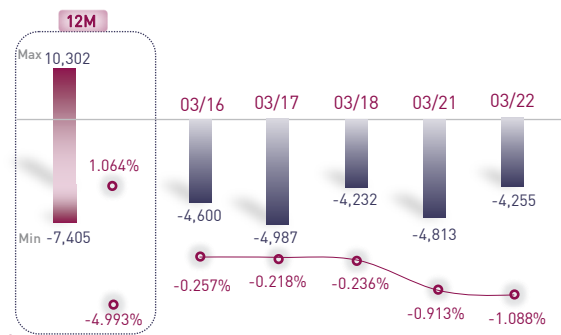
The dollar strengthens following Powell's speech

The Euro is falling this week against the Dollar, despite positive progress on the Ukrainian war. This stands at 1.0983.

For its part, the USD remains supported by the firm intention of the FED to put in place the necessary measures to offset the rise of inflation. This latter is at 40-year highs and could jeopardize the economic recovery.

After a 25 PBS increase in the Fed's key rates the previous week, the markets forecast a tighter monetary policy in 2022, i.e. 6 successive hikes bringing the level of the Fed's Funds rate to nearly 2%.

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



The MAD appreciates after 6 weeks of depreciation

The Dirham appreciates this week against the Dollar and the Euro. The EUR/MAD and USD/MAD parities thus fell by -1.34% and -1.10% respectively. This is due to a restrictive *liquidity effect* larger than that of the *basket effect* of -1.25% this week.

MAD liquidity spreads narrowed this week from -0.2% to -1.5%. This is due to the increase in Export operations on the market following the interesting levels of the MAD the previous week.

For its part, the foreign exchange position of banks is improving from MAD -5.3 billion on weekly average to MAD -4.6 billion this week.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	14.18%	13.20%	18.20%	15.38%	13.65%	13.49%
2 MONTHS	10.90%	10.04%	14.29%	11.63%	10.40%	10.70%
3 MONTHS	9.37%	8.54%	12.23%	10.30%	9.01%	9.47%

Increasing currency volatility

Uncertainties around the situation in Europe and energy prices are fueling currency volatility. Against several benchmark currencies, the MAD's volatility threshold exceeded 13% over 1 month, i.e. the highest levels ever reached since the start of the Covid-19 crisis.

In this context, we recommend reducing the hedging horizons of MAD to ST.

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WEEKLY MAD INSIGHTS

CURRENCIES

01 | APRIL
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Week from 03/21/2022 to 03/25/2022

EUR/USD OUTLOOK – BLOOMBERG

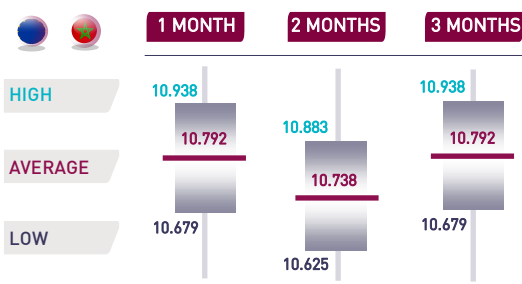
	SPOT	Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025	2026
MEDIAN		1.11	1.13	1.14	1.15	1.18	1.20	1.18	1.20
AVERAGE	1.0983	1.11	1.12	1.13	1.14	1.17	1.19	1.19	1.21
+HIGH	03/25/2021	1.17	1.18	1.20	1.22	1.23	1.25	1.27	1.27
+LOW		1.07	1.05	1.05	1.05	1.05	1.09	1.10	1.16
FORWARD		1.10	1.11	1.11	1.12	1.14	1.16	1.18	1.20

EUR/USD forecasts from international brokers were generally revised downwards this week. In Q2-22, the pair would trade at 1.11 versus 1.12 the previous week. The pair would settle at 1.12 in Q3-22 against 1.14 a week before, then at 1.13 in Q4-22 against 1.14 initially. In Q1-23, this should change to 1.14 against 1.15 initially. Finally in 2023, the target is 1.17 against 1.18 a week earlier, before reaching 1.19 in 2024 and 2025 against 1.20 and 1.21 respectively. The pair's target level is 1.21 for 2026, unchanged.

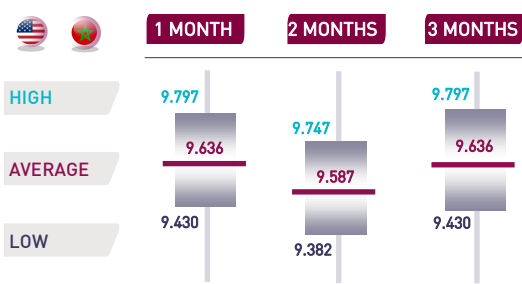
The single currency is penalized on the ST by the uncertainties linked to the conflict between Russia and Ukraine combined with the impacts of economic sanctions as well as the surge in commodity prices on the Euro zone economy.

The Fed decided to raise its key rates by 25 PBS on March 16, as planned. It should make 6 more hikes of 25 PBS during the next 6 FOMC meetings remaining this year. Scenarios of increases of 50 PBS, particularly in May and June, are however probable and anticipated by the markets following Powell's last speech. The fragility of growth in Europe and the divergence of monetary policy normalization from the Fed and the ECB further favor the dollar on the ST.

UPWARD REVIEW 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 forecast and MAD liquidity conditions, we have revised our 1, 2, and 3 month MAD forecasts upwards.

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

Against the Euro, the Dirham would slide over the same horizons.

The USD/MAD parity should reach 9.64 then 9.59 before reaching 9.64 at horizons 1, 2 and 3 months against a spot rate of 9.69.

The EUR/MAD parity should reach 10.79 then 10.74 before reaching 10.79 at horizons 1, 2 and 3 months against a spot rate of 10.67.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-1.10%	-1.34%	-3.21%	-0.48%	-0.69%	-0.13%
1 MONTH	+1.72%	+0.28%	-3.49%	+3.97%	+0.27%	+1.69%
YTD 2022	+4.39%	+1.45%	-1.24%	+5.97%	+1.96%	+2.79%

Prices as of 03/25/2022



APPENDICES

DATA AS OF MARCH 29TH, 2022

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025
FORECAST	USD/JPY	117	117	116	118	115	115	115
FORWARD	124	123	123	122	121	118	114	111
FORECAST	USD/CAD	1.26	1.25	1.25	1.24	1.23	1.26	1.28
FORWARD	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.27
FORECAST	USD/CHF	0.94	0.94	0.94	0.93	0.93	0.91	--
FORWARD	0.94	0.93	0.93	0.92	0.91	0.89	0.87	0.86
FORECAST	GBP/USD	1.33	1.34	1.35	1.36	1.39	1.42	1.42
FORWARD	1.31	1.31	1.31	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
Landesbank Baden-Wuerttemberg	03/29/22	1.1	1.09	1.08	1.08	1.1
ABN Amro	03/28/22	1.08	1.06	1.05	1.05	1.05
TD Securities	03/28/22	1.08	1.13	1.17	1.2	1.23
United Overseas Bank	03/28/22	1.08	1.07	1.06	1.06	1.08
Canadian Imperial Bank of Commerce	03/25/22	1.1	1.11	1.12	1.13	1.16
Rabobank	03/25/22	1.1	1.1	1.1	--	1.18
Australia & New Zealand Banking Group	03/24/22	1.1	1.1	1.1	1.12	1.15
Skandinaviska Enskilda Banken	03/24/22	1.07	1.05	1.09	1.12	1.2
Ebury	03/23/22	1.12	1.14	1.15	1.16	1.2
Nomura Bank International	03/22/22	1.08	1.1	1.14	--	1.2
Swedbank	03/22/22	1.13	1.14	1.15	1.16	1.18
Westpac Banking	03/21/22	1.1	1.11	1.12	1.13	1.15
Morgan Stanley	03/18/22	1.08	1.11	1.14	1.15	1.17
NAB/BNZ	03/18/22	1.11	1.13	1.15	1.17	1.23
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
Commonwealth Bank of Australia	03/09/22	1.16	1.18	1.2	1.22	1.28

Prices as of 03/29/2022

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