



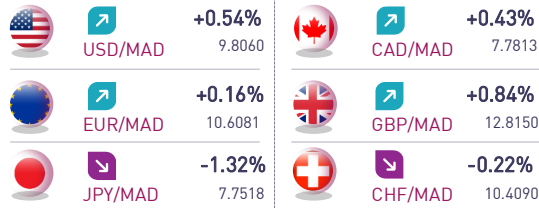
WEEKLY MAD INSIGHTS

CURRENCIES

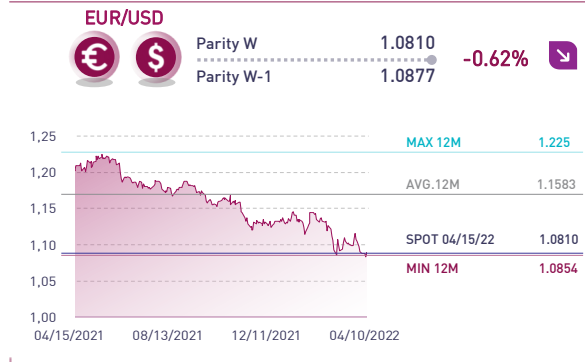
22 APRIL
2022

Week from 04/11/2022 to 04/15/2022

MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	+0.23%	-0.15%
Market ⁽²⁾ effect	+0.31%	+0.31%

(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	-3,491 MN
Banks Foreign Exchange position W-1	-2,952 MN

(3) Calculated over the period from 04/07/2022 to 04/13/2022

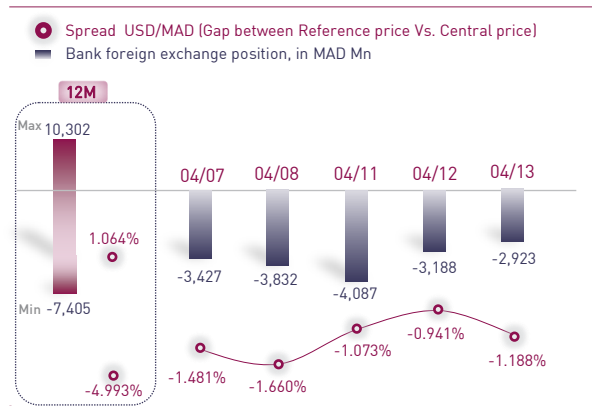
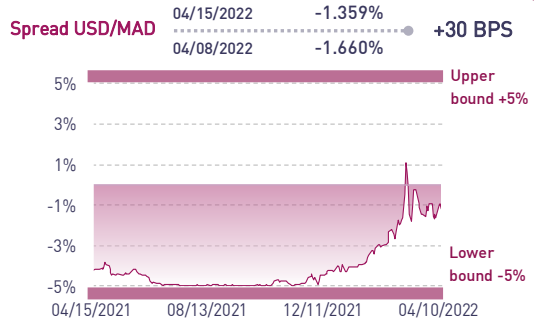
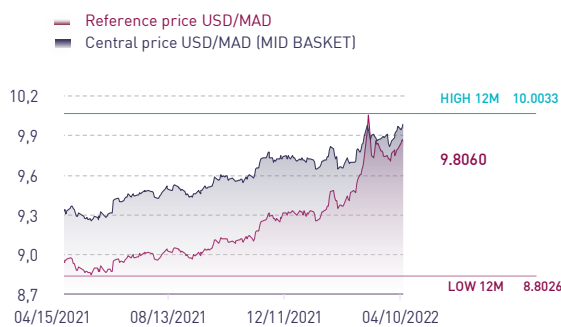
ECB remains accommodative despite record inflation

The euro depreciated significantly this week against the dollar by -0.62% falling from 1.0877 to 1.0810, a 2-year low.

Despite record inflation in the Euro zone of 7.5% in March, the highest since the creation of the single currency, the ECB has still not given a clear timetable for the rate hike.

US inflation stood at 8.5% in March, its highest since 1981. This level inflation, fueled by soaring energy prices, is consolidating the Fed's tightening of its monetary policy. Markets are now pricing in a Fed Fund rate hike of 50 PBS for the next two FOMC meetings.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



Against the Dollar the Dirham goes above 9.80

The Dirham is depreciating this week against the EUR and the USD. This is due to a restrictive liquidity effect for the MAD of more than +0.31%. This effect was larger than the basket effect. The USD/MAD and EUR/MAD pairs have increased by +0.54% and +0.16% respectively this week.

The tightening of liquidity on the interbank foreign exchange market led to an increase in MAD liquidity spreads from -1.7% to -1.4% over the week. Also, we note a decrease of the banks foreign exchange position. It went from -2.9 billion dirhams on a weekly average to -3.5 billion dirhams this week.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	6.66%	8.80%	12.62%	9.21%	8.47%	8.58%
2 MONTHS	10.58%	10.61%	15.42%	11.44%	10.64%	11.18%
3 MONTHS	9.37%	9.14%	13.44%	10.24%	9.25%	9.94%

Uncertainty dominates the forex market

The uncertainties around the situation in Ukraine and the next orientations of the ECB, fuel a strong volatility of the currencies on the foreign exchange market.

Under these conditions, we recommend that dollar exporting investors implement hedging strategies on the MAD at current prices.

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WEEKLY MAD INSIGHTS

CURRENCIES

22 | APRIL
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Week from 04/11/2022 to 04/15/2022

EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025	2026
MEDIAN		1.10	1.11	1.13	1.14	1.15	1.20	1.19	1.20
AVERAGE	1.0810	1.10	1.11	1.12	1.13	1.16	1.19	1.19	1.19
+HIGH	04/15/2021	1.14	1.16	1.20	1.20	1.23	1.25	1.27	1.21
+LOW		1.06	1.05	1.05	1.05	1.05	1.09	1.10	1.16
FORWARD		1.08	1.09	1.10	1.10	1.12	1.14	1.16	1.18

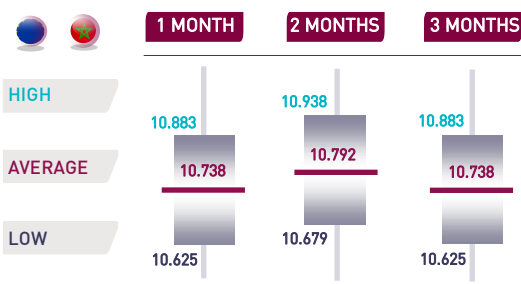
EUR/USD forecasts from international brokers have been broadly stable this week. In Q2-22, the pair would move to 1.10. The pair would settle at 1.11 in Q3-22 against 1.12 a week before, then at 1.12 in Q4-22 against 1.13 initially. In Q1 23, this should change to 1.13 against 1.14 the previous week. Finally in 2023, the target is 1.16; before reaching 1.19 over a 2024-2026 LT horizon.

The single currency is penalized on the ST by the situation in Ukraine and the impacts on economic growth. At its last monetary policy meeting, the ECB still did not give a clear timetable for raising interest rates despite record inflation of 7.5% in March. The ECB merely specified that its asset purchase program should end by the Q3.

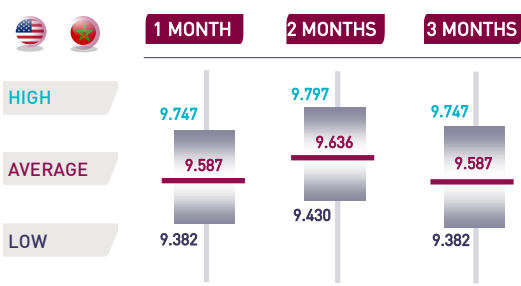
The Fed, meanwhile, would continue to tighten monetary policy as it is facing an inflation level of 8.5% in March, the highest since 1981. Some FOMC members are now considering a 50 PBS rate hike at the next meeting.

The fragility of growth in Europe and the widening of the divergences in the timetable regarding the normalization of the monetary policies of 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 MAD forecast for the next 3 months.

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

The target levels of the USD/MAD parity stand at 9.59; 9.64 and 9.59 at 1, 2 and 3 month horizons against a spot price of 9.81.

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

The target levels of the EUR/MAD parity stand at 10.74; 10.79 and 10.74 at 1, 2 and 3 month horizons against a spot price of 10.61.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.54%	+0.16%	-1.32%	+0.43%	+0.84%	-0.22%
1 MONTH	+0.69%	-0.88%	-6.02%	+2.62%	+0.87%	+0.38%
YTD 2022	+5.66%	+0.87%	-3.87%	+6.70%	+2.31%	+2.31%

Prices as of 04/15/2022



APPENDICES

DATA AS OF APRIL 19TH, 2022

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-22	Q3-22	Q4-22	Q1-23	2023	2024	2025
FORECAST	USD/JPY	121	121	120	120	119	116	115
FORWARD	127	126	126	125	124	121	117	113
FORECAST	USD/CAD	1.25	1.25	1.25	1.24	1.23	1.24	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	0.94	0.94	0.93	0.94
FORWARD	0.94	0.94	0.93	0.93	0.92	0.90	0.88	0.87
FORECAST	GBP/USD	1.31	1.33	1.34	1.34	1.37	1.41	1.42
FORWARD	1.3	1.30	1.30	1.30	1.31	1.31	1.32	1.33

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

	Date	Q2-2022	Q3-2022	Q4-2022	Q1-2023	2023
Nomura Bank International	04/14/22	1.08	1.1	1.14	--	1.2
Citigroup	04/13/22	1.08	1.09	1.1	1.1	1.12
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

Prices as of 04/19/2022

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