



WEEKLY MAD INSIGHTS

CURRENCIES

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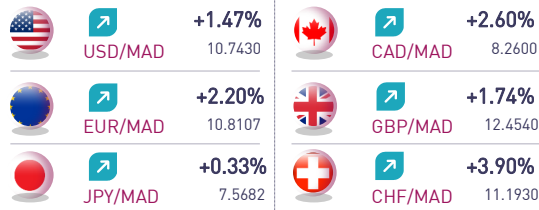


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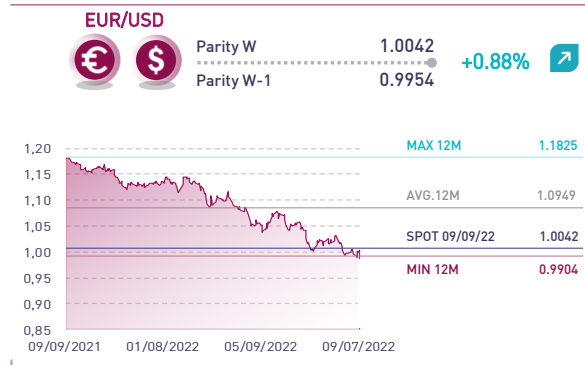
16 SEPTEMBER
2022

Week from 09/05/2022 to 09/09/2022

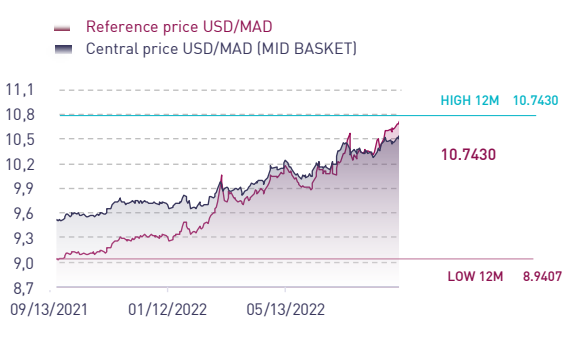
MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



	USD/MAD	EUR/MAD
Basket ⁽¹⁾ effect	-0.43%	+0.30%
Market ⁽²⁾ effect	+1.90%	+1.90%

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

	Banks Foreign Exchange position⁽³⁾ W	126 MN
	Banks Foreign Exchange position W-1	-1.878 MN

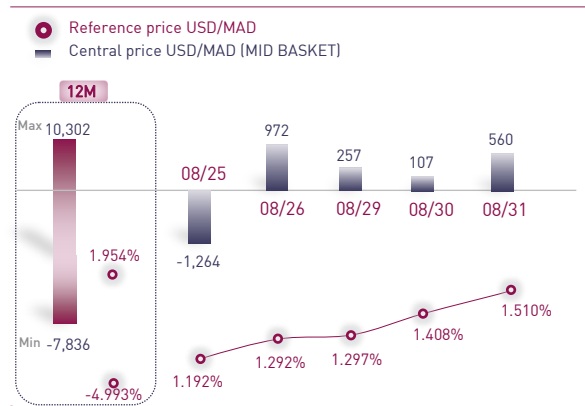
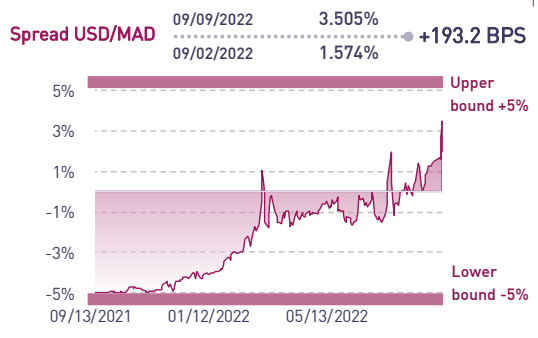
(3) Calculated over the period from 08/25/2022 to 08/31/2022

ECB decision : a historic rate hike of 75 BPS

The Euro is back above parity this week against the dollar by +0.88%, going from 0.9954 to 1.0042.

The ECB's decision to raise its main key rate by 75 BPS, supported the Euro. It went back above parity at the end of the week, while inflation figures in Europe reached a new record of 9.1% in August, confirming the ECB's monetary stance.

In addition, the closure of the Nord Stream1 gas pipeline, for an indefinite period by Russia, revives fears of a gas shortage in Europe as winter approaches. This keeps pressure on the Euro which hits a 20-year low during the week.



USD/MAD at a new 20-year high

The upward trend of the USD/MAD parity continues on the foreign exchange market with an increase of +1.47% to 10.7430 this week, i.e. a highest since 2002. The market effect comes out at +1.90% following a tightening of liquidity conditions on the interbank market.

We recall that this period coincides with the payment of the dividend from Maroc Telecom, owned by foreign shareholders by 53%. The basket effect is -0.43% due to the rise of the Euro internationally.

Despite the improvement in the foreign exchange position, which is moving into positive territory, liquidity spreads show an increase of +193 PBS to 3.51% at the end of this week. This is due to larger import flows in recent weeks.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CFMAD
1 MONTH	8.63%	9.98%	18.06%	10.26%	14.04%	12.80%
2 MONTHS	10.90%	11.87%	19.40%	12.49%	14.88%	13.39%
3 MONTHS	10.67%	10.85%	17.73%	11.55%	13.72%	13.41%

The Euro under the pressure of the energy crisis

Fears of a gas shortage in Europe following the indefinite closure of the Nord Stream 1 gas pipeline are fueling increased currency volatility, particularly the EUR/USD pair.

Under these conditions, we advise investors to make greater use of products for hedging their foreign exchange risk on ST horizons.



WEEKLY MAD INSIGHTS

CURRENCIES

16 SEPTEMBER
2022

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EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q4-22	Q1-23	Q2-23	Q3-23	2023	2024	2025	2026
MEDIAN		0.99	1.02	1.03	1.06	1.07	1.12	1.16	1.16
AVERAGE	1.0042	0.99	1.01	1.03	1.05	1.06	1.12	1.16	1.15
+HIGH	09/09/2022	1.09	1.11	1.13	1.08	1.15	1.18	1.21	1.20
+LOW		0.90	0.90	0.90	0.93	0.95	1.03	1.08	1.08
FORWARD		1.01	1.02	1.02	1.03	1.03	1.05	1.06	1.07

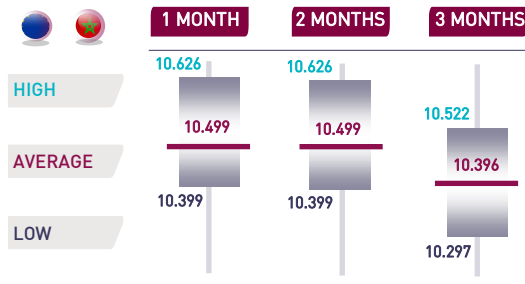
EUR/USD forecasts from international brokers have been revised down on ST and up on LT this week. In Q4-22, the pair would trade at 0.99 versus 1.00 the previous week. This would change to 1.01 in Q1-23. In Q2-23, the pair stands at 1.03. In Q3-23, the pair would reach 1.05. On an annual basis, the target is 1.06 in 2023 against 1.07 initially, before reaching 1.12 in 2024 against 1.11 previously. In 2025 and 2026, the target stands at 1.16 and 1.15 respectively against 1.13 the previous week.

US inflation remains at a 40-year high of 8.5% in July. Despite a slight slowdown, the Fed reaffirms its commitment to monetary tightening, as long as inflation remains above 2%. A 3.00%-3.25% target range for Fed Fund rates is most likely at the next FOMC meeting in September.

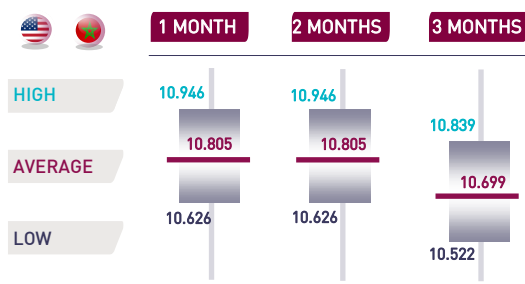
In the Euro Zone, inflation reached a new record of 9.1%. The ECB decided a historic rate hike of 75 BPS bringing the main key rate of the ECB to 1.25% in September.

The single currency remains penalized by the risk of recession in Europe on the sidelines of the energy crisis.

UPWARD REVIEW OF OUR 1-MONTH, 2-MONTH AND 3-MONTH HORIZON FORECASTS



Based on EUR/USD Bloomberg forecast for Q4-22



Based on EUR/USD Bloomberg forecast for Q4-22

Given the update of the forecasts for the EUR/USD parity and the liquidity conditions on the foreign exchange market, we have reviewed our forecasts for the USD/MAD upwards. Against the spot price, the MAD would depreciate over the next 1 and 2 months and appreciate over the next 3 months against the dollar.

Taking into account the end of the summer season, we forecast significant currency outflows in connection with the dividend payments for foreign shareholders. Within 3 months, import and export flows should be rebalanced.

The target levels of the USD/MAD parity stand at 10.81, 10.81 and 10.70 at horizons of 1, 2 and 3 months against a spot price of 10.74.

Against the Euro, the Dirham would appreciate over the next 1 month, 2 months and 3 months.

The target levels of the EUR/MAD parity stand at 10.50, 10.50 and 10.40 at horizons of 1, 2 and 3 months against a spot price of 10.81.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+1.47%	+2.20%	+0.33%	+2.60%	+1.74%	+3.90%
1 MONTH	+4.69%	+3.05%	-0.49%	+3.52%	+0.27%	+4.02%
YTD 2022	+15.76%	+2.80%	-6.14%	+13.26%	-0.57%	+10.02%

Prices as of 09/09/2022



APPENDICES

DATA AS OF SEPTEMBER 12TH, 2022

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q4-22	Q1-23	Q2-23	Q3-23	2023	2024	2025
FORECAST	USD/JPY	135	133	130	126	125	120	119
FORWARD	142	141	139	138	136	135	130	125
FORECAST	USD/CAD	1.3	1.28	1.27	1.27	1.25	1.25	1.29
FORWARD	1.30	1.3	1.3	1.3	1.3	1.3	1.3	1.31
FORECAST	USD/CHF	0.98	0.97	0.97	0.96	0.95	0.95	0.93
FORWARD	0.96	0.95	0.95	0.94	0.93	0.93	0.91	0.89
FORECAST	GBP/USD	1.16	1.18	1.18	1.20	1.25	1.30	1.33
FORWARD	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.15

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

	Date	Q4-2022	Q1-2023	Q2-2023	Q3-2023	2023
RBC Capital Markets	09/08/22	0.97	0.95	0.98	1.02	1.05
BNP Paribas	09/07/22	1	1.01	1.02	1.04	1.06
Commerzbank	09/01/22	0.98	0.98	1.02	1.06	1.1
Standard Chartered	09/01/22	0.97	1.02	1.05	1.08	1.08
Wells Fargo	08/23/22	0.96	0.97	0.98	--	1.02
JPMorgan Chase	08/19/22	0.95	0.98	1.02	--	--
Nomura Bank International	09/12/22	0.9	0.9	0.93	--	0.98
Axis Bank	09/08/22	0.98	1	1.02	1.04	1.05
Klarity FX	09/07/22	1.01	1.04	1.06	1.07	--
Landesbank Baden-Wuerttemberg	09/07/22	1	1.01	1.02	1.02	1.03
Swedbank	09/07/22	0.99	0.97	1.02	1.05	1.1
MUFG	09/06/22	0.98	1.02	1.06	--	--
Morgan Stanley	09/06/22	0.99	1.01	1.03	1.05	1.08
NAB/BNZ	09/06/22	0.98	0.99	1	1.02	1.04
Alpha Bank	09/05/22	1	1.03	1.05	1.07	1.08
CICC	09/05/22	0.99	1.02	1.04	1.07	--
Polski Instytut Ekonomiczny	09/05/22	1.01	1.03	1.05	1.06	1.07

In gray, the main brokers retained to calculate the EURUSD consensus for Q3-22
Prices as of 09/12/2022

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