



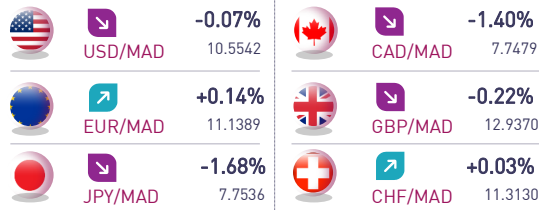
WEEKLY MAD INSIGHTS

CURRENCIES

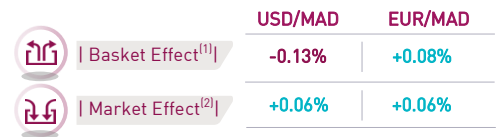
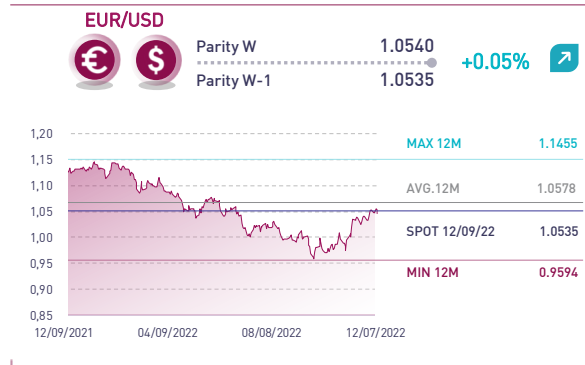
15 DECEMBER
2022

Week from 12/02/2022 to 12/09/2022

MAIN WEEKLY VARIATIONS



INTERNATIONAL HIGHLIGHTS



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



(3) Calculated over the period from 11/30/2022 to 12/06/2022

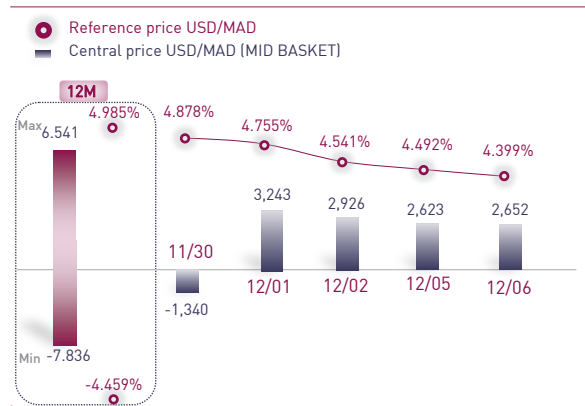
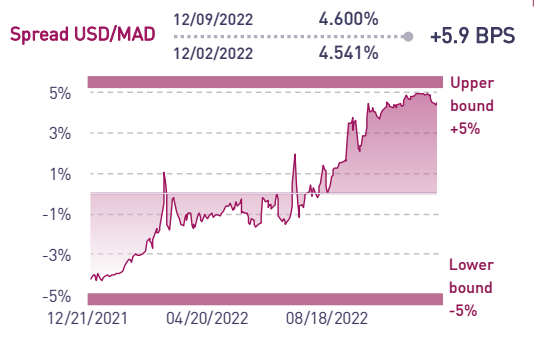
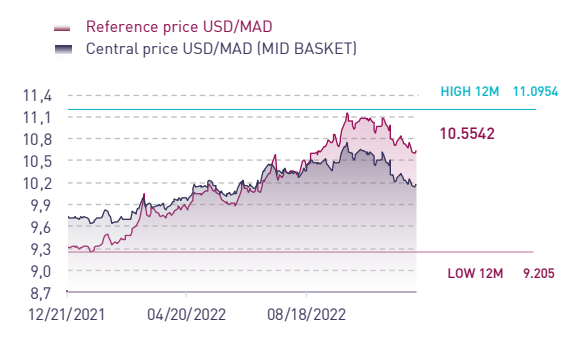
The single currency remains above 1.05

The euro appreciated slightly this week against the dollar by +0.05%, rising from 1.0535 to 1.0540. The EUR/USD pair thus settles at a 5-month high.

The single currency benefited from the better-than-expected Q3-22 GDP growth in the Euro Zone. This stood at 2.3% during this period year-on-year against a forecast of 2.1%.

At the same time, hopes of a recovery in economic activity in China as well as expectations of a slowdown in interest rate hikes, continue to support the euro. After 4 75 BPS hikes in the Fed Fund Rate, the markets anticipate a further 50 BPS in December.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



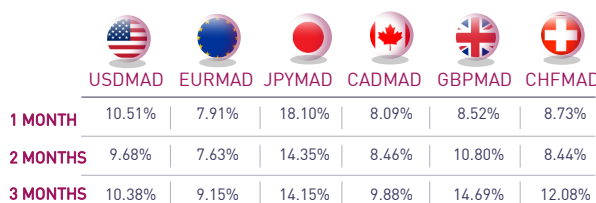
The FX position improves at the end of the year

The USD/MAD pair fell for the 5th consecutive week by -0.07% to 10.55 this week. This is above a than 3-month low.

This is due to a negative basket effect of -0.13% given the weakening of the dollar internationally and a liquidity effect of +0.06% against the MAD.

Liquidity spreads remain almost stable this week, going from 4.54% to 4.60%, an increase of +5 BBS. The banks' foreign exchange position rose to MAD 2.0 bn on a weekly average. Nevertheless, import flows remain significant due to the impact of the hike of import prices as well as the increase in hedging transactions.

VOLATILITY INDICATORS



A year-end under the sign of volatility

Uncertainties linked to the geopolitical context and the orientations of international monetary policies are weighing on the economic outlook.

This induces high volatility on the foreign exchange market. Consequently, we recommend that Corporates reduce their hedging horizons on the MAD.

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WEEKLY MAD INSIGHTS

CURRENCIES

15 DECEMBER
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Week from 12/02/2022 to 12/09/2022

EUR/USD OUTLOOK – BLOOMBERG

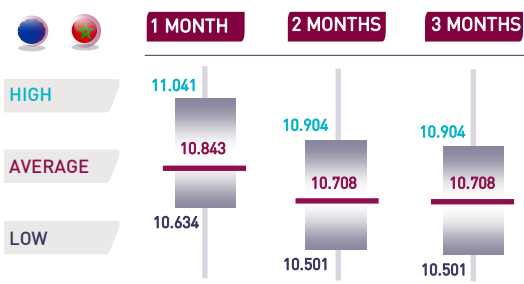
	SPOT	Q1-23	Q2-23	Q3-23	2023	2024	2025	2026	2027
MEDIAN		1.02	1.04	1.05	1.07	1.10	1.11	1.11	--
AVERAGE	1.0540	1.01	1.03	1.05	1.07	1.09	1.12	1.13	--
+HIGH	12/09/2022	1.06	1.11	1.15	1.15	1.21	1.23	1.20	--
+LOW		0.95	0.90	0.93	0.95	1.00	1.03	1.06	--
FORWARD		1.07	1.08	1.08	1.09	1.10	1.11	1.12	1.13

EUR/USD forecasts from international brokers have been stable this week. The pair would trade at 1.01 in Q1-23. In Q2-23, the pair stands at 1.03, against 1.02 the previous week, to reach 1.05 in Q3-23 instead of 1.04 initially. On an annual basis, the target is 1.07 in 2023, before reaching 1.09 in 2024. In 2025, the target is 1.12 and in 2026, it is 1.13.

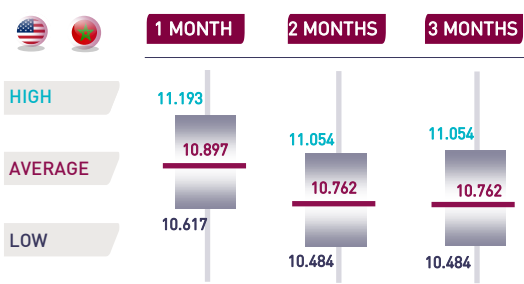
US inflation stood at 7.7% in October. It remains above the MT target of 2%. Powell's speech reinforced market expectations that the process of rising interest rates would slow. Thus, an increase of 50 BPS is expected at the next FOMC on December 14, against 4 previous increases of 75 BPS. Fed Fund interest rates would therefore be in the range [4.25%-4.50%] by the end of 2022.

In the Euro Zone, inflation reached 10% in November according to Eurostat estimates against 10.6% last month. Despite a slight decline, inflation remains well above the ECB's target of 2%. Now, after a cumulative rise of +200 BPS, its main financing rate stands at 2%. The divergence in the timing of monetary tightening between the Fed and the ECB, still favors the dollar on the ST.

DOWNWARD REVIEW OF OUR 1-MONTH HORIZON FORECAST



Based on EUR/USD Bloomberg forecast for Q1-23



Based on EUR/USD Bloomberg forecast for Q1-23

Given the forecasts for the EUR/USD parity and the liquidity conditions on the foreign exchange market, we have reviewed our USD/MAD forecasts downwards.

Taking into account the bullish forecasts for the dollar internationally at ST and a slight improvement in liquidity conditions on the Moroccan foreign exchange market, the MAD would depreciate slightly against the dollar over the next 1, 2 and 3 months.

Recall that our scenario takes into account an expected decline in import flows due to the expected slow down of international demand.

The target levels of the USD/MAD parity stand at 10.90, 10.76 and 10.76 at horizons of 1, 2 and 3 months against a spot price of 10.55.

Against the euro, the dirham should appreciate over 1, 2 and 3 months.

The target levels of the EUR/MAD parity stand at 10.84, 10.71 and 10.71 at horizons of 1, 2 and 3 months against a spot rate of 11.14.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.07%	+0.14%	-1.68%	-1.40%	-0.22%	+0.03%
1 MONTH	-2.90%	+1.91%	+3.90%	-4.16%	+3.91%	+2.44%
YTD 2022	+13.73%	+5.92%	-3.84%	+6.24%	+3.28%	+11.20%

Prices as of 12/09/2022



APPENDICES

DATA AS OF DECEMBER 14TH, 2022

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q1-23	Q2-23	Q3-23	Q4-23	2024	2025	2026
FORECAST	USD/JPY	138	135	133	131	126	124	120
FORWARD	135	133	132	130	128	123	119	115
FORECAST	USD/CAD	1.34	1.32	1.32	1.3	1.25	1.28	1.28
FORWARD	1.35	1.35	1.35	1.35	1.35	1.34	1.34	1.33
FORECAST	USD/CHF	0.96	0.95	0.95	0.94	0.95	0.95	0.91
FORWARD	0.93	0.91	0.91	0.90	0.89	0.86	0.85	0.83
FORECAST	GBP/USD	1.15	1.18	1.19	1.21	1.24	1.25	1.28
FORWARD	1.24	1.24	1.24	1.25	1.25	1.24	1.24	1.23

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

	Date	Q1-2023	Q2-2023	Q3-2023	Q4-2023	2024
Commerzbank	11/25/22	1.04	1.06	1.08	1.1	1.02
JPMorgan Chase	11/23/22	0.95	0.95	1	1	--
Wells Fargo	11/21/22	0.98	0.99	1.01	1.03	--
BNP Paribas	11/17/22	1.01	1	1.03	1.06	1.1
Standard Chartered	11/15/22	1.04	1.06	1.09	1.1	1.1
RBC Capital Markets	11/03/22	0.95	0.98	1.02	1.05	--
AFEX	12/13/22	1	1.06	1.04	--	--
Nomura Bank International	12/12/22	1.04	1.08	1.09	1.1	1.14
Capital Economics	12/08/22	0.95	0.9	0.93	0.95	1.05
Barclays	12/07/22	0.98	1	1.03	1.05	1.07
Credit Agricole CIB	12/07/22	1	1.03	1.06	1.09	1.05
Landesbank Baden-Wuerttemberg	12/06/22	0.97	0.97	0.98	1	1
Polski Instytut Ekonomiczny	12/06/22	1.05	1.04	1.04	1.04	1.03
Sumitomo Mitsui Trust Bank	12/06/22	1.02	1.04	1.06	1.05	--
ABN Amro	12/05/22	1.02	1.05	1.07	1.08	--
Axis Bank	12/05/22	1	1.05	1.05	1.05	1.05
CICC	12/05/22	1.01	1.03	1.06	1.1	--

In gray, the main brokers retained to calculate the EURUSD consensus for Q1-23
Prices as of 12/14/2022

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