



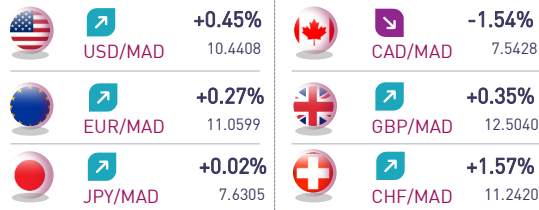
WEEKLY MAD INSIGHTS

CURRENCIES

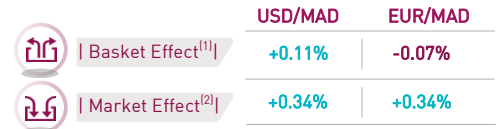
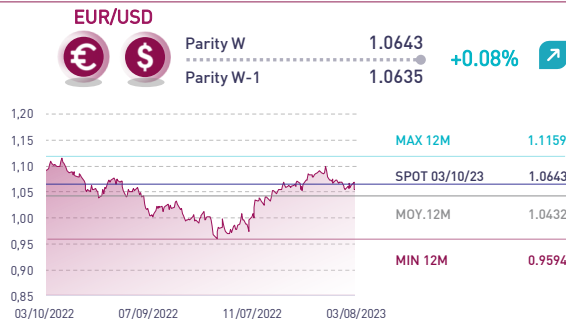
17 MARCH
2023

Week from 03/06/2023 to 03/10/2023

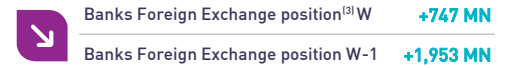
MAIN WEEKLY VARIATIONS



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 12/23/2022 to 12/30/2022

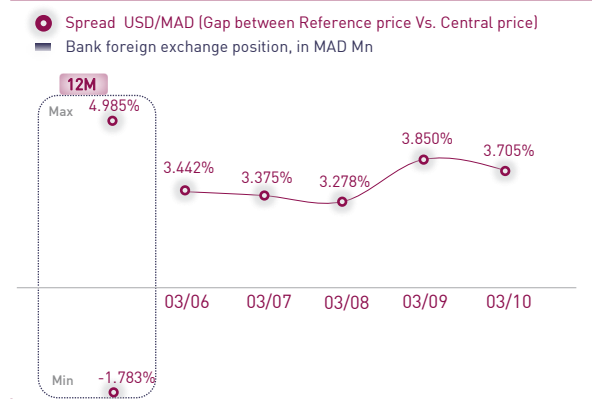
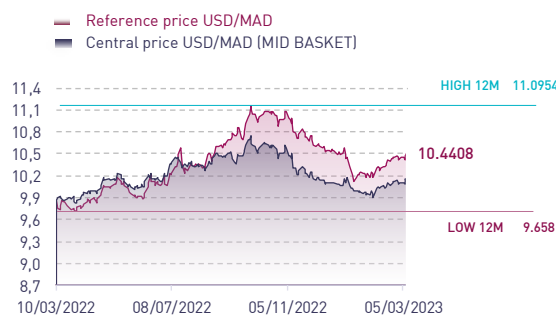
US jobs report boosts the euro this week

The EUR/USD pair appreciated this week by +0.08% from 1.0635 to 1.0643.

The Euro hit a low this week at 1.0545 following the Fed Chairman's speech that raised a strong likelihood of a Fed Funds interest rate hike of +50 PBS at the next FOMC on March 22.

At the end of the week, however, we saw a reversal of the situation after the release of the NFP report for February and the setbacks of SVB Bank. Market expectations imply again a +25 PBS hike in the Fed Fund rates in March, benefiting the euro.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



Increase in import hedging volumes

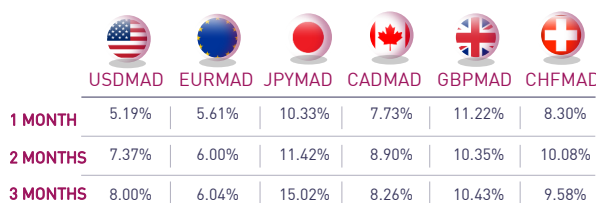
The MAD is depreciating this week against the dollar. The USD/MAD pair increased by +0.45% from 10.39 to 10.44.

This evolution is explained by a basket effect of +0.11% and a market effect of +0.34% related to the tightening of liquidity conditions for the dirham.

Dirham liquidity spreads increased by +35 PBS this week to 3.71% to 3-month highs. This is due to a high volatility in the foreign exchange market in anticipation of the monetary policy meetings of the Fed and the ECB in March.

In this context, we have noted an increase in the volumes of import hedging transactions.

VOLATILITY INDICATORS



The Dirham remains under pressure before the Fed

On the ST, EUR/USD volatility remains mainly sensitive to expectations of Fed and ECB rate decisions.

We recommend that dollar exporters increase their level of hedging in order to hedge against the expected volatility of the US dollar.

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WEEKLY MAD INSIGHTS

CURRENCIES

17 MARCH
2023

Week from 03/06/2023 to 03/10/2023

EUR/USD OUTLOOK – BLOOMBERG

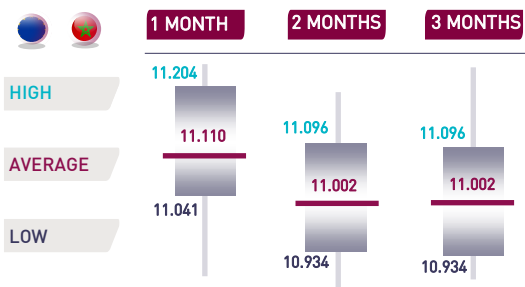
	SPOT	Q2-23	Q3-23	Q4-23	Q1-24	2024	2025	2026	2027
MEDIAN		1.08	1.10	1.12	1.12	1.14	1.15	1.17	1.15
AVERAGE	1.0643	1.08	1.10	1.11	1.12	1.14	1.15	1.16	1.15
+HIGH	03/10/2023	1.15	1.15	1.18	1.17	1.23	1.21	1.20	1.20
+LOW		1.00	1.02	1.02	1.03	1.04	1.03	1.10	1.10
FORWARD		1.08	1.08	1.09	1.09	1.10	1.11	1.11	1.12

The forecasts of the EUR/USD parity of the brokers were reviewed upwards this week on the LT. This would change to 1.08 in Q2-23 to reach 1.10 in Q3-23. On an annual basis, the target is 1.11 in 2023. It should change to 1.12 in Q1-24 against 1.11 a week earlier before reaching 1.14 in 2024 against 1.13 initially then 1.15 in 2025. In LT, the target stands at 1.16 in 2026 against 1.15 the previous week.

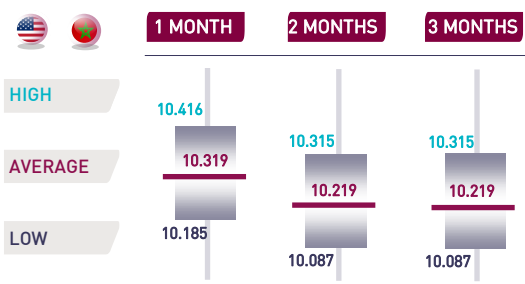
US inflation fell slightly in January 2023 to 6.4% after 6.5% the previous month. Fed Funds rates are in the range [4.50%-4.75%]. Following a disappointing jobs report for February, markets expect the Fed to decide another +25 PBS hike in March before pausing in May.

In the Euro Zone, inflation fell slightly to 8.5% in February 2023 according to preliminary figures against 8.6% in January 2023. Despite this drop, it remains well above the 2% target and the consensus of the market. The current ECB key rate level stands at 3.0%. The institution has given signals that it should proceed with a +50 PBS hike at its next meeting on March 16. Note that the ECB's chief economist said this week that it would be appropriate to raise interest rates beyond the March meeting.

UPWARD REVIEW OF OUR 1-MONTH HORIZON FORECAST



Based on EUR/USD Bloomberg forecast for Q2-23



Based on EUR/USD Bloomberg forecast for Q2-23

Given the forecasts of the EUR/USD parity and the liquidity conditions of the foreign exchange market, we have reviewed upwards our USD/MAD forecasts for 1 month.

EUR/USD forecasts from international brokers have been stable this week. They are in favor of an appreciation of the euro over the next 3 months.

According to our forecasts, MAD liquidity spreads should decline over the next 3 months from current levels.

Under these conditions, the target levels of the USD/MAD parity stand at 10.32, 10.22 and 10.22 at horizons of 1, 2 and 3 months against a spot rate of 10.44.

The target levels of the EUR/MAD parity stand at 11.11, 11.00 and 11.00 at horizons of 1, 2 and 3 months against a spot rate of 11.06.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.45%	+0.27%	+0.02%	-1.54%	+0.35%	+1.57%
1 MONTH	+1.86%	+0.81%	-2.51%	-1.04%	+0.73%	+1.23%
YTD 2023	-0.07%	-0.89%	-3.75%	-2.33%	-0.68%	-0.82%

Prices as of 03/10/2023



APPENDICES

DATA AS OF MARCH 13TH, 2023

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-23	Q3-23	Q4-23	Q1-24	2024	2025	2026
FORECAST	USD/JPY	130	127	125	126	120	115	--
FORWARD	134	132	130	128	127	123	118	114
FORECAST	USD/CAD	1.33	1.31	1.3	1.29	1.26	1.26	1.26
FORWARD	1.38	1.37	1.37	1.37	1.37	1.36	1.36	1.35
FORECAST	USD/CHF	0.93	0.92	0.91	0.92	0.91	0.91	--
FORWARD	0.92	0.91	0.90	0.89	0.89	0.87	0.85	0.84
FORECAST	GBP/USD	1.22	1.23	1.24	1.26	1.29	1.31	--
FORWARD	1.21	1.21	1.22	1.22	1.22	1.22	1.22	1.22

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

	Date	Q2-2023	Q3-2023	Q4-2023	Q1-2024	2024
Commerzbank	03/10/23	1.06	1.07	1.08	1.1	1.08
Standard Chartered	03/07/23	1.06	1.09	1.12	1.12	1.13
JPMorgan Chase	03/03/23	1.1	1.08	1.08	--	--
RBC Capital Markets	03/02/23	1.07	1.05	1.03	1.03	1.15
Wells Fargo	02/23/23	1.07	1.08	1.1	--	--
BNP Paribas	02/14/23	1.1	1.12	1.14	--	1.18
Nomura Bank International	03/09/23	1.13	1.14	1.16	1.17	1.2
Rabobank	03/09/23	1.04	1.04	1.05	--	1.18
Alpha Bank	03/08/23	1.05	1.06	1.08	1.1	1.13
ABN Amro	03/08/23	1.08	1.1	1.12	1.13	1.16
AFEX	03/08/23	1.05	1.1	1.12	--	--
Sumitomo Mitsui Trust Bank	03/08/23	1.1	1.12	1.1	1.08	--
Oversea-Chinese Banking Corp	03/07/23	1.08	1.09	1.1	1.1	1.13
Landesbank Baden-Wuerttemberg	03/06/23	1.08	1.09	1.1	1.1	1.1
Investec	03/03/23	1.1	1.12	1.12	1.14	1.18
Morgan Stanley	03/03/23	1.11	1.13	1.15	1.14	1.11
Argentex LLP	03/02/23	1.1	1.11	1.13	1.15	--

In gray, the main brokers retained to calculate the EURUSD consensus for Q2-23
Prices as of 03/13/2023

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