



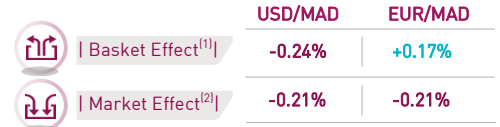
WEEKLY MAD INSIGHTS

CURRENCIES

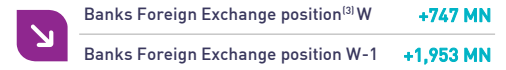
22 MARCH 2023

Week from 03/13/2023 to 03/17/2023

MAIN WEEKLY VARIATIONS

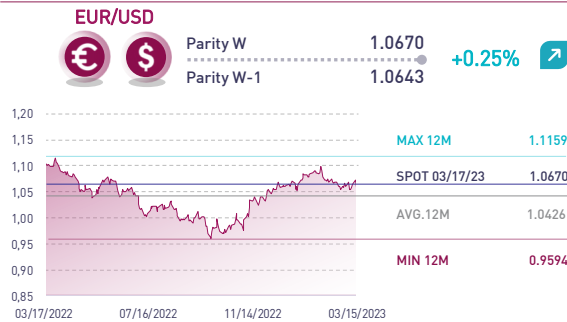


(1) Impact of the variation of the EUR/USD parity
(2) Impact of the variation in the liquidity spread (Supply / Demand)



(3) Calculated over the period from 12/23/2022 to 12/30/2022

INTERNATIONAL HIGHLIGHTS



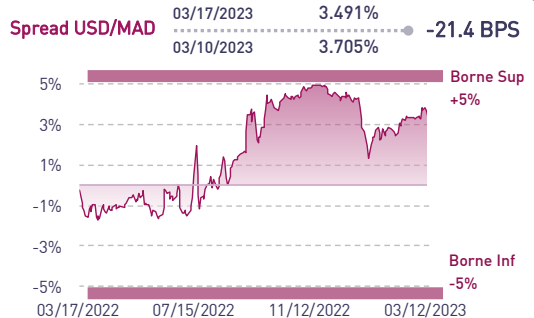
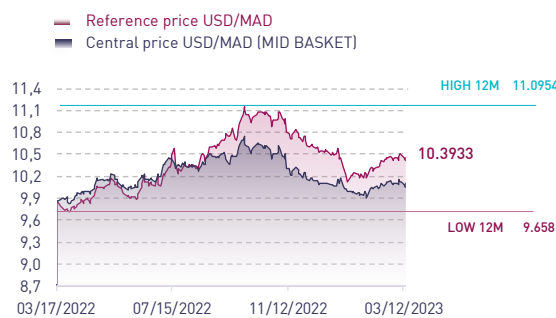
The ECB decides on a rate hike of +50 PBS

The EUR/USD pair appreciated by +0.25% from 1.0643 to 1.0670 at the end of a week marked by high volatility.

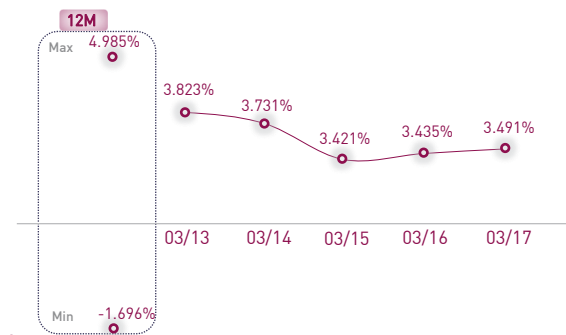
This is due to the banking crisis in the United States after SVB failure. This situation has forced the Fed to announce an emergency lending program to meet depositors' needs and restore confidence in the banking system. The wind of panic spread in Europe thus penalizing Credit Suisse stock price by more than -20% in one day.

Nevertheless, the ECB maintains its restrictive process and once again increases its key rate by +50 BPS in order to control inflation.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



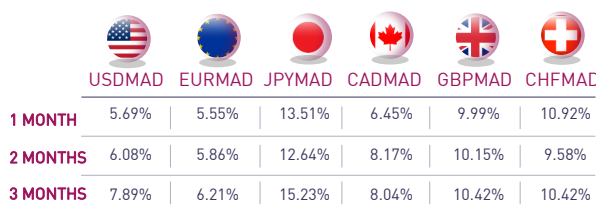
An improvement in the liquidity of the MAD

The MAD appreciates this week against the dollar. The USD/MAD pair evolved by -0.45%, going from 10.44 to 10.39 in one week.

This change is explained by a basket effect of -0.24% and a market effect of -0.21% related to a slight improvement in the liquidity conditions of the dirham.

Dirham liquidity spreads fell -21 BPS this week to 3.49%. This drop could be explained by expectations of a gradual rebalancing of import and export flows on the ST horizon.

VOLATILITY INDICATORS



A wind of panic in the banking sector

On the ST, EUR/USD volatility remains mainly sensitive to expectations of Fed and ECB rate decisions. This week, these expectations were disrupted following the crisis in the banking sector in the United States and Europe.

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

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WEEKLY MAD INSIGHTS

CURRENCIES

22 MARCH
2023

Week from 03/13/2023 to 03/17/2023

EUR/USD OUTLOOK – BLOOMBERG

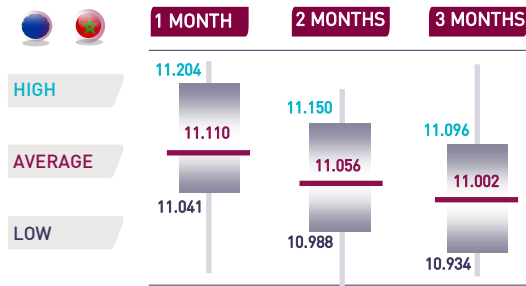
	SPOT	Q2-23	Q3-23	Q4-23	Q1-24	2024	2025	2026	2027
MEDIAN		1.08	1.10	1.12	1.12	1.14	1.15	1.17	1.15
AVERAGE	1.0670	1.08	1.10	1.11	1.12	1.14	1.14	1.16	1.15
+HIGH	03/17/2023	1.15	1.15	1.18	1.16	1.23	1.21	1.20	1.20
+LOW		1.04	1.04	1.03	1.03	1.04	1.03	1.10	1.10
FORWARD		1.07	1.08	1.08	1.08	1.09	1.10	1.11	1.11

Brokers' EUR/USD forecasts have been stable this week. 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 before reaching 1.14 in 2024. It should stabilize at 1.14 in 2025 against 1.15 a week before. Over the LT, the target is 1.16 in 2026 and 1.15 in 2027.

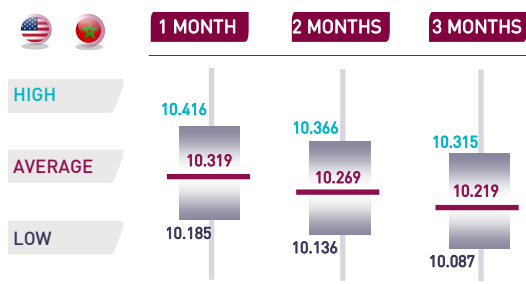
US inflation fell in February 2023 to 6.0% in line with expectations after 6.4% in January. Fed Funds rates are in the range [4.50%-4.75%]. Following a disappointing jobs report in February, markets expect the Fed to hike +25 BPS in March and pause in May.

In the Euro Zone, inflation fell slightly to 8.5% in February 2023 according to the latest Eurostat figures against 8.6% in January 2023. Despite this drop, it remains well above the 2% target. The ECB decided this week to raise its main interest rate to 3.50%, an increase of +50 BPS. The institution, however, did not give any indication of further rate hikes, stressing that the current uncertainties and recent market volatility forced it to adapt its decisions continuously.

UPWARD REVIEW OF OUR 2-MONTH HORIZON FORECAST



Based on EUR/USD Bloomberg forecast for Q2-23



Based on EUR/USD Bloomberg forecast for Q2-23

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

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, 10.27 and 10.22 at horizons of 1, 2 and 3 months against a spot rate of 10.39.

The target levels of the EUR/MAD parity stand at 11.11, 11.06 and 11.00 at horizons of 1, 2 and 3 months against a spot rate of 11.05.

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%	-0.04%	+2.47%	+0.47%	+0.86%	-0.22%
1 MONTH	+0.21%	+0.24%	+1.82%	-1.16%	+1.87%	+0.90%
YTD 2023	-0.52%	-0.93%	-1.37%	-1.86%	+0.18%	-1.04%

Prices as of 03/17/2023



APPENDICES

DATA AS OF MARCH 20TH, 2023

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-23	Q3-23	Q4-23	Q1-24	2024	2025	2026
FORECAST	USD/JPY	130	128	126	125	120	115	--
FORWARD	132	130	129	127	126	122	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	1.37	1.36	1.35
FORECAST	USD/CHF	0.92	0.92	0.91	0.92	0.92	0.92	--
FORWARD	0.93	0.92	0.91	0.90	0.90	0.88	0.86	0.84
FORECAST	GBP/USD	1.22	1.23	1.25	1.26	1.30	1.31	--
FORWARD	1.21	1.22	1.22	1.22	1.22	1.22	1.21	1.21

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

	Date	Q2-2023	Q3-2023	Q4-2023	Q1-2024	2024
BNP Paribas	03/17/23	1.1	1.12	1.14	1.15	1.18
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	--	--
Axis Bank	03/20/23	1.05	1.08	1.1	1.1	1.09
Kshitij Consultancy Services	03/16/23	1.1	1.11	1.12	1.15	--
Nomura Bank International	03/16/23	1.11	1.11	1.14	1.15	1.18
Maybank Singapore	03/14/23	1.11	1.12	1.13	1.14	1.22
Monex USA Corp	03/14/23	1.08	1.09	1.1	1.11	1.14
ING Financial Markets	03/13/23	1.1	1.12	1.15	1.15	1.15
Swedbank	03/13/23	1.08	1.1	1.1	1.1	1.12
X-Trade Brokers Dom Maklerski	03/13/23	1.06	1.06	1.07	1.07	1.08
Ebury	03/10/23	1.08	1.1	1.12	--	1.15
Argentex LLP	03/09/23	1.1	1.11	1.13	1.15	--
Rabobank	03/09/23	1.04	1.04	1.05	--	1.18

In gray, the main brokers retained to calculate the EURUSD consensus for Q2-23
Prices as of 03/20/2023

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