



WEEKLY MAD INSIGHTS

CURRENCIES

14 | APRIL
2023

Week from 04/03/2023 to 04/07/2023

MAIN WEEKLY VARIATIONS

		-0.33%			-0.04%
USD/MAD	10.1878		CAD/MAD	7.5404	
		+0.03%			+0.15%
EUR/MAD	11.1200		GBP/MAD	12.6650	
		+0.77%			+0.94%
JPY/MAD	7.7344		CHF/MAD	11.2570	

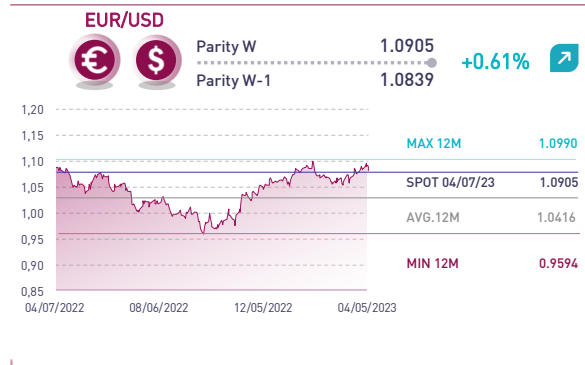
	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	-0.22%	+0.14%
Market Effect ⁽²⁾	-0.11%	-0.11%

(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	+747 MN
	Banks Foreign Exchange position W-1	+1,953 MN

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

INTERNATIONAL HIGHLIGHTS



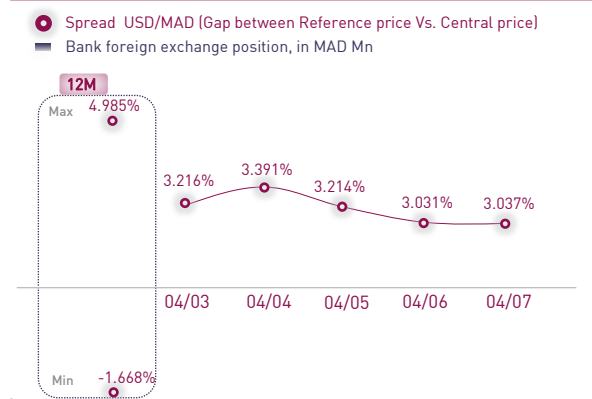
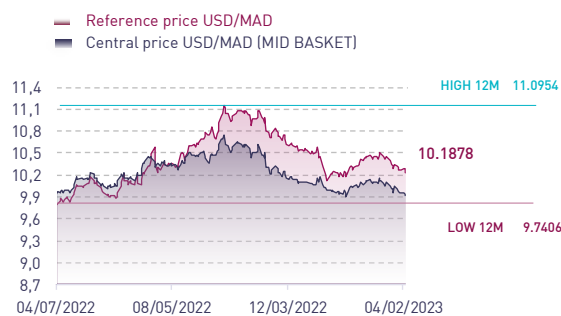
Strong US jobs report in March

The EUR/USD pair appreciated this week by +0.61% from 1.0839 to 1.0905.

The decline in manufacturing activity in the United States is deepening and may accelerate with the continued tightening of credit conditions. A situation which would benefit to the euro.

At the end of the week, the US jobs report came out strong. Job creations in March of 236K remain in line with expectations and the unemployment rate fell from 3.6% to 3.5%. Expectations point to a further increase in Fed Funds rates of +25 BPS at the next FOMC meeting in May.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



The dirham at a two-month low

The MAD appreciates for the 4th consecutive week against the Dollar. The USD/MAD pair fell -0.33% from 10.22 to 10.19 in one week.

This change is explained by a basket effect of -0.22% related to the weakening of the dollar internationally and a positive liquidity effect of -0.11%.

Dirham liquidity spreads fell -12 BPS this week to 3.04%. These spreads should continue to decrease on the ST due to the expected improvement in export flows.

VOLATILITY INDICATORS

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 MONTH	5.77%	6.63%	17.87%	6.38%	8.01%	9.54%
2 MONTHS	5.42%	5.64%	14.37%	6.91%	9.11%	8.43%
3 MONTHS	7.35%	6.03%	13.76%	8.19%	9.60%	9.69%

Take advantage of the slight drop in the dollar on the ST

Volatility continues to reign in the forex market. These uncertainties are related to the evolution of inflation and the expectations of the monetary decisions of the major central banks.

We recommend that dollar importers take advantage of the continued weakening of the dollar by reducing their exposure to hedging transactions on the very ST.

Attijari Global Research

Lamyae Oudghiri
Manager
+212 5 22 03 68 18
L.oudghiri@attijari.ma

Walid Kabbaj
Associate
+212 5 22 49 14 82
w.kabbaj@attijari.ma

Nisrine Jamali
Investor relations
+212 5 22 49 14 82
n.jamali@attijari.ma

Capital Market - Trading

Yassine Rafa
05 22 42 87 72 / 06 47 47 48 23
y.rafa@attijariwafa.com

Amine Elhajli
05 22 42 87 09
a.elhajli@attijariwafa.com

Capital Market - Sales

Loubaba Alaoui Mdaghri
06 47 47 48 34
l.alaouim@attijariwafa.com



Attijari
Global Research



WEEKLY MAD INSIGHTS

CURRENCIES

14 | APRIL
2023

Week from 04/03/2023 to 04/07/2023

EUR/USD OUTLOOK – BLOOMBERG

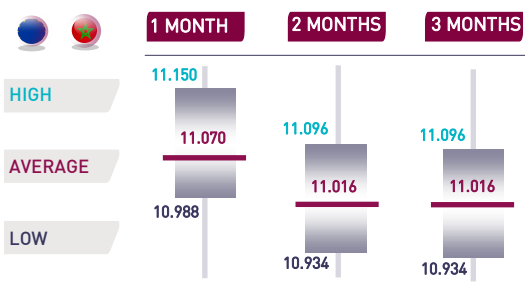
	SPOT	Q2-23	Q3-23	Q4-23	Q1-24	2024	2025	2026	2027
MEDIAN		1.08	1.10	1.12	1.12	1.14	1.15	1.16	1.17
AVERAGE	1.0905	1.08	1.10	1.11	1.12	1.14	1.14	1.15	1.16
+HIGH	04/07/2023	1.12	1.15	1.17	1.20	1.20	1.23	1.20	1.20
+LOW		1.00	1.02	1.02	1.02	1.05	1.09	1.10	1.10
FORWARD		1.10	1.10	1.11	1.11	1.11	1.12	1.12	1.13

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 in previous week. Over the long run, the target stands at 1.15 in 2026 against 1.16 initially and at 1.16 in 2027 against 1.15 previously.

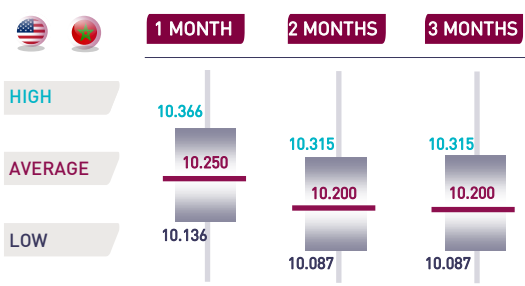
US inflation fell in February 2023 to 6.0% after 6.4% in January. In March, the Fed decided to raise Fed Funds rates by +25 BPS. They are now within the range [4.75%-5.00%]. In addition, the US employment report for March came out solid with an unemployment rate of 3.5% against a consensus which forecast a status quo at 3.6%. Expectations are for another rate hike of +25 BPS in May.

In the Euro Zone, inflation fell to 6.9% in March against 8.5% in February according to preliminary figures from Eurostat. Despite this drop, it remains well above the 2% target. The ECB has decided to raise its main interest rate to 3.50%, an increase of +50 BPS. The ECB would rationally catch up in terms of monetary tightening, which would support the euro over the short run.

WE MAINTAIN OUR SCENARIO 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 are maintaining our USD/MAD forecasts for 1, 2 and 3 months.

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

According to our forecasts, MAD liquidity spreads should remain stable over a 1-month horizon, then fall from spot levels over a 2-month horizon and stabilize over a 3-month horizon.

Under these conditions, the target levels of the USD/MAD parity stand at 10.25, 10.20 and 10.20 at horizons of 1, 2 and 3 months against a spot rate of 10.19.

The target levels of the EUR/MAD parity stand at 11.07, 11.02 and 11.02 at horizons of 1, 2 and 3 months against a spot rate of 11.12.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.33%	+0.03%	+0.77%	-0.04%	+0.15%	+0.94%
1 MONTH	-1.71%	+0.59%	+1.43%	-0.85%	+1.72%	+1.27%
YTD 2023	-2.49%	-0.35%	-2.44%	-2.36%	+0.60%	-0.69%

Prices as of 04/07/2023



APPENDICES

DATA AS OF APRIL 10TH, 2023

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q2-23	Q3-23	Q4-23	Q1-24	2024	2025	2026
FORECAST	USD/JPY	129	127	125	124	120	115	114
FORWARD	132	130	129	127	126	122	118	115
FORECAST	USD/CAD	1.34	1.33	1.31	1.3	1.27	1.28	1.28
FORWARD	1.35	1.35	1.34	1.34	1.34	1.34	1.34	1.34
FORECAST	USD/CHF	0.92	0.92	0.91	0.92	0.91	0.90	0.89
FORWARD	0.9	0.90	0.89	0.88	0.88	0.87	0.85	0.84
FORECAST	GBP/USD	1.23	1.24	1.26	1.26	1.28	1.29	1.28
FORWARD	1.24	1.25	1.25	1.25	1.25	1.24	1.23	1.23

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

	Date	Q2-2023	Q3-2023	Q4-2023	Q1-2024	2024
RBC Capital Markets	04/06/23	1.07	1.05	1.03	1.03	1.15
Wells Fargo	03/23/23	1.09	1.11	1.13	1.15	--
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	--	--
Klarity FX	04/06/23	1.08	1.09	1.11	1.12	--
MUFG	04/05/23	1.1	1.12	1.14	1.12	--
Axis Bank	04/04/23	1.05	1.1	1.1	1.09	1.09
Amdocs Development Ltd	04/03/23	1.1	1.12	1.13	--	--
AFEX	04/03/23	1.12	1.14	1.1	--	--
Bank Julius Baer	04/03/23	1.1	1.11	1.13	1.15	1.14
CICC	04/03/23	1.07	1.09	1.13	1.15	--
Mizuho Bank	04/03/23	1.1	1.11	1.13	1.13	--
NAB/BNZ	04/03/23	1.12	1.15	1.17	1.2	1.19
Polski Instytut Ekonomiczny	04/03/23	1.08	1.09	1.09	1.09	1.1
Capital Economics	03/31/23	1	1.04	1.08	1.09	1.12

In gray, the main brokers retained to calculate the EURUSD consensus for Q2-23
Prices as of 04/10/2023

ATTIJARI GLOBAL RESEARCH

HEAD OF STRATEGY

Taha Jaidi
+212 5 29 03 68 23
t.jaidi@attijari.ma
Casablanca

MANAGER

Lamyae Oudghiri
+212 5 29 03 68 18
l.oudghiri@attijari.ma
Casablanca

SENIOR ASSOCIATE

Mahat Zerhouni
+212 5 29 03 68 16
m.zerhouni@attijari.ma
Casablanca

ASSOCIATE

Walid Kabbaj
+212 5 22 49 14 82
w.kabbaj@attijari.ma
Casablanca

CHIEF ECONOMIST

Abdelaziz Lahlou
+212 5 29 03 68 37
ab.lahlou@attijari.ma
Casablanca

MANAGER

Maria Iraqui
+212 5 29 03 68 01
m.iraqui@attijari.ma
Casablanca

ASSOCIATE

Meryeme Hadi
+212 5 22 49 14 82
m.hadi@attijari.ma
Casablanca

INVESTOR RELATIONS ANALYST

Nisrine Jamali
+212 5 22 49 14 82
n.jamali@attijari.ma
Casablanca

FINANCIAL ANALYST

Anass Drif
+212 5 22 49 14 82
a.drif@attijari.ma
Casablanca

SENIOR ANALYST

Ines Khouaja
+216 31 34 13 10
khouaja.ines@attijaribourse.com.tn
Tunis

FINANCIAL ANALYST

Ulдерic Djado
+237 681 77 89 40
u.djado@attijarisecurities.com
Douala

FINANCIAL ANALYST

Yves André Angaman
+225 07 49 24 60 35
yves.angaman@sib.ci
Abidjan

Equity

BROKERAGE - MOROCCO

Abdellah Alaoui
+212 5 29 03 68 27
a.alaoui@attijari.ma

Rachid Zakaria
+212 5 29 03 68 48
r.zakaria@attijari.ma

Anis Hares
+212 5 29 03 68 34
a.hares@attijari.ma

Alae Yahya
+212 5 29 03 68 15
a.yahya@attijari.ma

Sofia Mohcine
+212 5 22 49 59 52
s.mohcine@wafabourse.com

CUSTODY - MOROCCO

Tarik Loudiyi
+212 5 22 54 42 98
t.loudiyi@attijariwafa.com

WAEMU - CÔTE D'IVOIRE

Mohamed Lemridi
+225 20 21 98 26
mohamed.lemridi@sib.ci

BROKERAGE - TUNISIA

Hichem Ben Romdhane
+225 29 318 965
h.benromdhane@attijaribank.com.tns

CEMAC - CAMEROUN

Ernest Pouhe
+237 651 23 51 15
e.pouhe@attijarisecurities.com

Bonds /Forex /Commodities

MOROCCO

Mohammed Hassoun Filali
+212 5 22 42 87 24
m.hassounfilali@attijariwafa.com

Amine Elhajli
+212 5 22 42 87 09
m.elhajli@attijariwafa.com

Loubaba Alaoui Mdaghri
+212 6 47 47 48 34
l.alaouim@attijariwafa.com

Dalal Tahoune
+212 5 22 42 87 07
d.tahoune@attijariwafa.com

EGYPT

Ahmed Darwish
+20 127 755 90 13
ahmed.darwish@attijariwafa.com.eg

TUNISIA

Atef Gabsi
+216 71 80 29 22
gabsi.atef@attijaribank.com.tn

MIDDLE EAST - DUBAI

Serge Bahaderian
+971 0 43 77 03 00
sbahaderian@attijari-me.com

WAEMU - CÔTE D'IVOIRE

Abid Halim
+225 20 20 01 55
abid.halim@sib.ci

CEMAC - GABON

Youssef Hansali
+241 01 77 72 42
youssef.hansali@ugb-banque.com

DISCLAIMER

RISKS
Investment in Securities is a risky operation. This document is intended for informed investors. The value and yield of an investment can be influenced by several factors both economic and technical. Previous performances of the different assets classes do not constitute a guarantee for subsequent achievements. Furthermore, forecast of future achievements may be based on assumptions that could not be realized.

LIABILITY LIMITS
The investor acknowledges that these opinions constitute an element of decision support. He assumes full responsibility for his investment choices. Attijari Global Research can't be considered responsible for his investment choices. This document can under no circumstances be considered as an official confirmation of a transaction addressed to a person or entity and no guarantee can be made that this transaction will be concluded on the basis of the terms and conditions contained in this document or on the basis of other conditions. Attijari Global Research has neither verified nor conducted an independent analysis of the information contained in this document. Therefore, Attijari Global Research doesn't make any statement or guarantee and makes no commitment to this document's readers, in any way whatsoever regarding the relevance, accuracy or completeness of the information contained therein. In any case, readers should collect the internal and external opinions they deem necessary, including from lawyers, tax specialists, accountants, financial advisers, or any other experts, to verify the adequacy of the transactions which are presented to them. The final decision is the sole responsibility of the investor. Attijari Global Research can not be held responsible for financial losses or any decision made on the basis of the information contained in its presentations.

INFORMATION SOURCE
Our publications are based on public information. Attijari Global Research strives for the reliability of the information provided. However, it is unable to guarantee its veracity or completeness. The opinions provided are expressed only by the analysts writers. This document and all attachments are based on public information and may in no circumstances be used or considered as a commitment from Attijari Global Research.

CHANGE OF OPINION
The expressed recommendations reflect an opinion consisting of available and public elements during the preparation period of the said note. The views, opinions and other information expressed in this document are indicative and may be modified or removed at any time without prior notice.

INDEPENDENCE OF OPINION
Attijari Global Research preserves full independence regarding the opinions and recommendations issued. As a result, the investment decisions of Attijariwafa bank Group subsidiaries may conflict with the recommendations and / or strategies published in the Research notes.

REMUNERATION AND BUSINESS STREAM
Financial analysts responsible for the preparation of this report receive remunerations based on various factors, among which the quality of the research and the relevance of the topics discussed. Attijariwafa bank Group maintains a business stream with the companies covered in the publications of Attijari Global Research.

ADEQUACY OF OBJECTIVES
The various publications of Attijari Global Research are prepared excluding the individual financial circumstances and objectives of persons who receive them. The instruments and discussed strategies may not be appropriate for the different investor profiles. For this reason, making an investment decision solely on these opinions may not lead to the intended objectives.

OWNERSHIP AND DIFFUSION
This document is the property of Attijari Global Research. It may not be duplicated or copied partially or fully without the written consent of the management of Attijari Global Research. This document can be distributed only by Attijari Global Research or one of Attijariwafa bank Group's subsidiaries.

SUPERVISORY AUTHORITIES
Attijari Global Research is subject to the supervision of the regulatory authorities for the various countries of presence. These include AMMC in Morocco, CMF in Tunisia, CREPMF in WAEMU, COSUMAF in CEMAC and CMA in Egypt. Any person accepting to receive this document is bound by the terms above.