



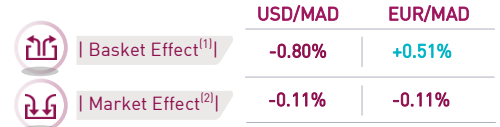
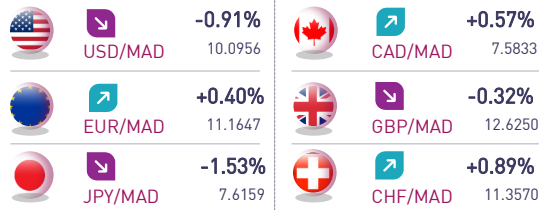
WEEKLY MAD INSIGHTS

CURRENCIES

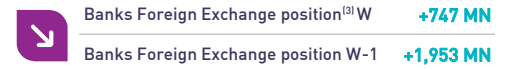
21 | APRIL
2023

Week from 04/10/2023 to 04/14/2023

MAIN WEEKLY VARIATIONS

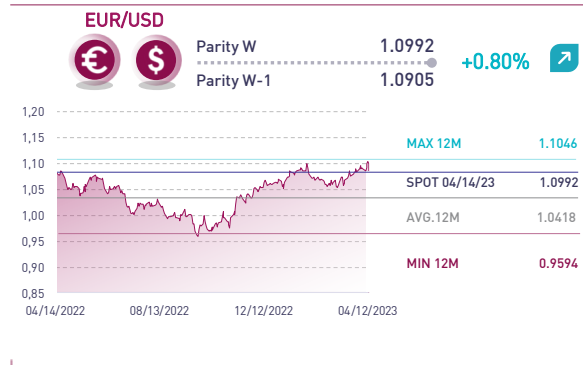


(1) Impact of the variation of the EUR/USD parity
(2) Impact of the variation in the liquidity spread (Supply / Demand)



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

INTERNATIONAL HIGHLIGHTS



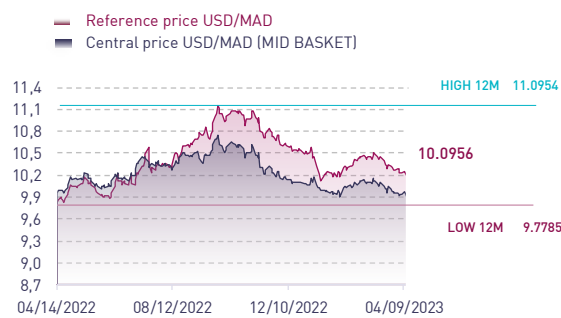
US inflation at lowest since May 2021

The EUR/USD pair appreciated this week by +0.80% from 1.0905 to 1.0992.

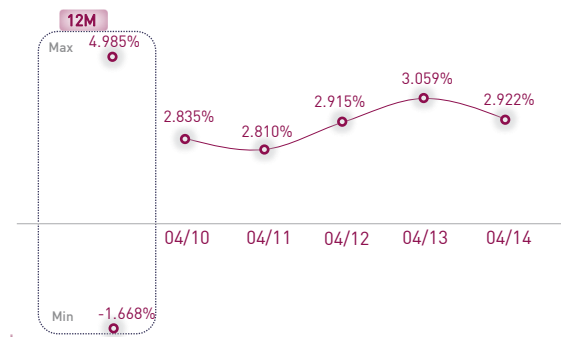
US inflation came out at 5.0% in March against a consensus of 5.2%. The markets are thus anticipating a slowdown in Fed's monetary tightening, benefiting to the EUR/USD pair which has exceeded the 1.10 threshold.

Nevertheless, disagreements remain within the FOMC as several of its members plead for continued monetary tightening in the face of still high core inflation. These risks offset expectations of a Fed pause in rate hikes and led the EUR/USD pair to correct.

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



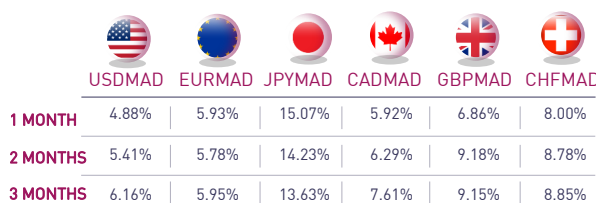
The weakening of the Dollar benefits the Dirham

The MAD appreciates for the 5th consecutive week against the Dollar. The USD/MAD pair fell -0.91% from 10.19 to 10.10 this week.

This evolution is explained by a basket effect of -0.80% related to the appreciation of the euro and a liquidity effect of -0.11%.

Dirham liquidity spreads improved this week by -12 BPS to 2.92%. The latter should continue their downward trend on the ST following the expected rebalancing of import and export flows.

VOLATILITY INDICATORS



Take advantage of the weakening of the dollar...

Central banks are in the process of adapting their decisions based on macroeconomic data and the impact of their monetary policy on inflation.

We recommend that dollar importers take advantage of the US dollar's downtrend so they can hedge at lower levels.

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WEEKLY MAD INSIGHTS

CURRENCIES

21 | APRIL
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Week from 04/10/2023 to 04/14/2023

EUR/USD OUTLOOK – BLOOMBERG

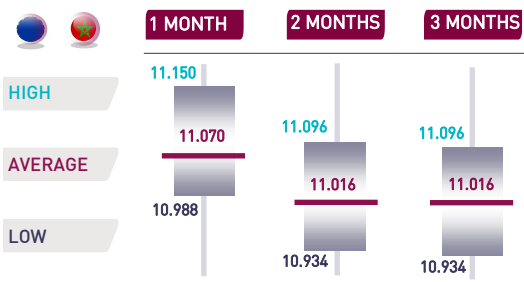
	SPOT	Q2-23	Q3-23	Q4-23	Q1-24	2024	2025	2026	2027
MEDIAN		1.09	1.10	1.12	1.13	1.15	1.15	1.16	1.17
AVERAGE	1.0992	1.09	1.10	1.11	1.12	1.15	1.15	1.16	1.17
+HIGH	04/14/2023	1.12	1.15	1.17	1.20	1.20	1.23	1.22	1.22
+LOW		1.00	1.02	1.02	1.02	1.05	1.09	1.10	1.10
FORWARD		1.10	1.11	1.11	1.12	1.12	1.13	1.13	1.14

Brokers' forecasts for the EUR/USD pair were reviewed upwards this week. The pair would evolve to 1.09 in Q2-23 against 1.08 a week earlier in order to reach 1.10 in Q3-23. On an annual basis, the target is 1.11 in 2023. It would rise to 1.12 in Q1-24 and 1.15 in 2024 against 1.14 initially. The pair would stabilize at 1.15 in 2025 against 1.14 the previous week. In LT, the target stands at 1.16 in 2026 against 1.15 a week earlier and at 1.17 in 2027 against 1.16 previously.

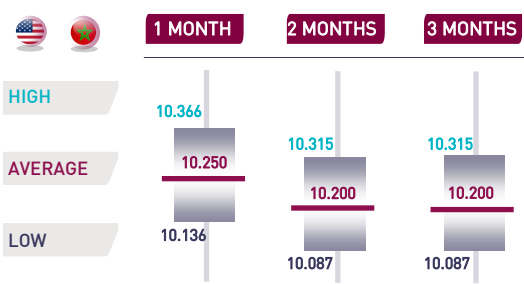
US inflation fell faster than expected in March 2023 to 5.0% after 6.0% in February. Fed Funds rates are in the range [4.75%-5.00%]. Markets are pricing in another +25 BPS rate hike in May before pausing as jobs report came out strong in March. This indicates the Fed would be close to its target rate.

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. For its part, the ECB has decided to raise its main key rate to 3.50% and will continue to catch up on its delay in terms of monetary tightening. This scenario seems to support the euro on the ST.

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 10.10.

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 11.16.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.91%	+0.40%	-1.53%	+0.57%	-0.32%	+0.89%
1 MONTH	-2.66%	+0.46%	-1.60%	+0.28%	+0.15%	-0.25%
YTD 2023	-3.37%	+0.05%	-3.94%	-1.80%	+0.29%	+0.19%

Prices as of 04/21/2023



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APPENDICES

DATA AS OF APRIL 17TH, 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	123	120	115	117
FORWARD	133	132	130	128	127	123	119	115
FORECAST	USD/CAD	1.35	1.33	1.32	1.3	1.28	1.28	1.28
FORWARD	1.34	1.33	1.33	1.33	1.33	1.33	1.33	1.33
FORECAST	USD/CHF	0.92	0.91	0.91	0.91	0.91	0.90	0.92
FORWARD	0.89	0.89	0.88	0.87	0.87	0.85	0.84	0.83
FORECAST	GBP/USD	1.23	1.25	1.26	1.26	1.30	1.28	1.25
FORWARD	1.24	1.25	1.25	1.25	1.25	1.24	1.24	1.23

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

	Date	Q2-2023	Q3-2023	Q4-2023	Q1-2024	2024
Standard Chartered	04/11/23	1.06	1.09	1.12	1.12	1.13
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
JPMorgan Chase	03/03/23	1.1	1.08	1.08	--	--
Swedbank	04/17/23	1.12	1.13	1.14	1.15	1.15
Canadian Imperial Bank of Commerce	04/14/23	1.1	1.11	1.13	1.14	1.16
Kshitij Consultancy Services	04/14/23	1.08	1.11	1.12	1.17	--
Rabobank	04/14/23	1.07	1.06	1.07	1.08	1.18
Australia & New Zealand Banking Group	04/13/23	1.1	1.12	1.14	1.16	1.2
Commonwealth Bank of Australia	04/13/23	1.07	1.05	1.08	1.12	1.2
Bank Millennium	04/13/23	1.09	1.09	1.11	1.14	--
United Overseas Bank	04/13/23	1.1	1.12	1.14	1.16	1.2
Alpha Bank	04/12/23	1.08	1.09	1.11	1.12	1.15
Argentex LLP	04/12/23	1.1	1.12	1.14	1.16	--
AFEX	04/11/23	1.12	1.14	1.1	--	--

In gray, the main brokers retained to calculate the EURUSD consensus for Q2-23
Prices as of 04/17/2023

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