



# WEEKLY MAD INSIGHTS

## CURRENCIES

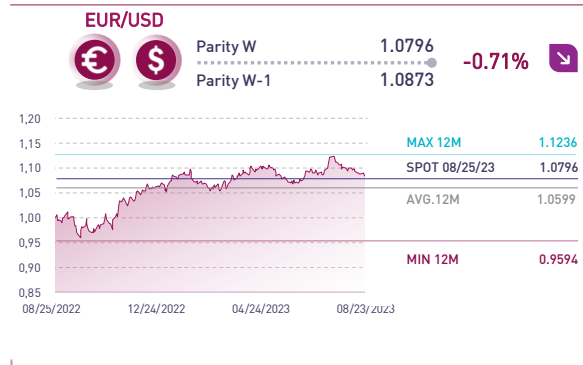
01 | SEPTEMBER  
2023

Week from 08/21/2023 to 08/25/2023

### MAIN WEEKLY VARIATIONS

		<b>+1.24%</b>			<b>+1.04%</b>
USD/MAD		10.1124	CAD/MAD		7.4498
		<b>+0.71%</b>			<b>+0.51%</b>
EUR/MAD		10.9285	GBP/MAD		12.7600
		<b>+0.88%</b>			<b>+0.72%</b>
JPY/MAD		6.9263	CHF/MAD		11.4230

### INTERNATIONAL HIGHLIGHTS



	<b>USD/MAD</b>	<b>EUR/MAD</b>
Basket Effect <sup>(1)</sup>	<b>+0.32%</b>	<b>-0.21%</b>
	<b>+0.92%</b>	<b>+0.92%</b>
Market Effect <sup>(2)</sup>		

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

	<b>Banks Foreign Exchange position<sup>(3)</sup> W</b>	<b>+747 MN</b>
	<b>Banks Foreign Exchange position W-1</b>	<b>+1,953 MN</b>

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

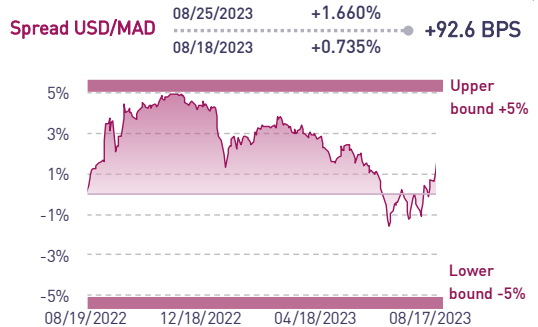
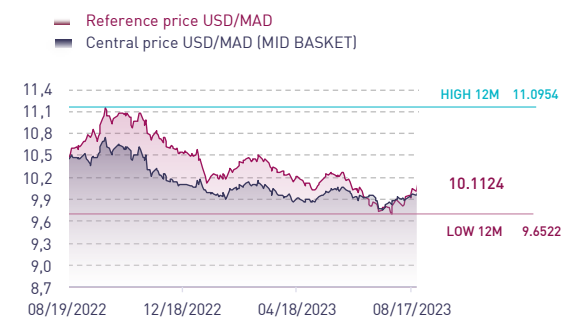
### The Dollar soars to a more than 2 months high

The Euro depreciated against the Dollar for the 6<sup>th</sup> consecutive week from 1.0873 to 1.0796.

Strong US economic statistics and below consensus unemployment figures explain this evolution. Furthermore, Fed Chairman, Jerome Powell, spoke at the Jackson Hole symposium and confirmed that further rate hikes could take place if inflation remains at high levels.

Markets are still expecting a pause in Fed monetary policy in September. Nevertheless, the probability of a +25 BPS rise has increased this week, thus favoring the Dollar.

### MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



Attijari Global Research

**Lamyae Oudghiri**

Manager  
+212 529 03 68 18  
L.oudghiri@attijari.ma

**Walid Kabbaj**

Associate  
+212 522 49 14 82  
w.kabbaj@attijari.ma

**Nisrine Jamali**

Investor relations  
+212 522 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**

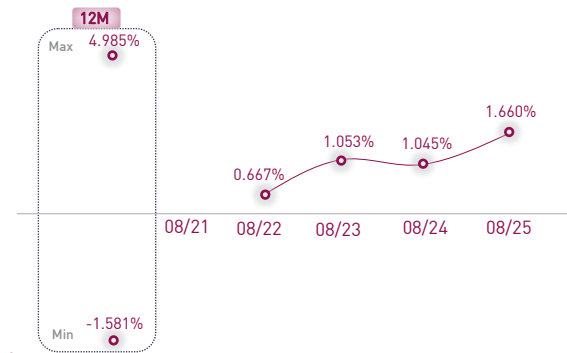
05 22 42 87 09  
a.elhajli@attijariwafa.com

Capital Market - Sales

**Loubaba Alaoui Mdaghri**

06 47 47 48 34  
l.lalaouim@attijariwafa.com

Spread USD/MAD (Gap between Reference price Vs. Central price)



### The Dollar goes back above MAD 10

USD/MAD appreciated by +1.24% from 9.99 to 10.11 this week. The Dollar is thus appreciating for the 4<sup>th</sup> consecutive week to go back above MAD 10 for the first time since June.

This evolution is explained by a basket effect of +0.32% related to the rise of the Dollar and a significant liquidity effect of +0.92%.

MAD liquidity spreads continue to tighten from 0.73% to 1.66% this week. Export flows, which were supported by workers remittances, become less important as the summer period ends.

### VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
<b>1 MONTH</b>	9.53%	7.62%	13.00%	9.03%	6.87%	8.02%
<b>2 MONTHS</b>	8.77%	7.96%	13.19%	8.54%	9.16%	9.07%
<b>3 MONTHS</b>	7.83%	7.25%	11.88%	8.23%	8.71%	8.49%

### Towards an increase in volatility on the USD/MAD

The evolution of the EUR/USD pair remains mainly dependent on the monetary policy decisions of the Fed and the ECB. At the same time, we are seeing increasingly visible tensions on the liquidity of the MAD.

A situation which would increase the volatility of the USD/MAD pair in the weeks to come.



Attijari  
Global Research



# WEEKLY MAD INSIGHTS

## CURRENCIES

01 | SEPTEMBER  
2023

Week from 08/21/2023 to 08/25/2023

### EUR/USD OUTLOOK – BLOOMBERG

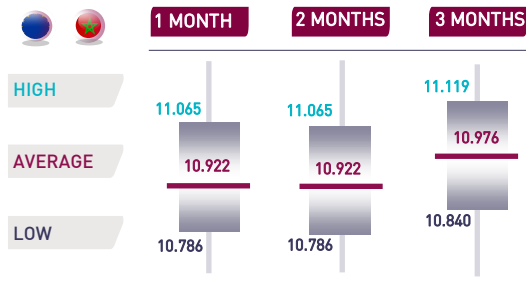
	SPOT	Q3-23	Q4-23	Q1-24	Q2-24	2024	2025	2026	2027
<b>MEDIAN</b>		1.10	1.11	1.12	1.12	1.15	1.16	1.16	1.17
<b>AVERAGE</b>	1.0796	1.09	1.10	1.11	1.12	1.14	1.17	1.17	1.17
<b>+HIGH</b>	08/25/2023	1.13	1.17	1.20	1.20	1.22	1.23	1.23	1.20
<b>+LOW</b>		1.01	1.00	1.03	1.04	1.05	1.11	1.14	1.14
<b>FORWARD</b>		1.08	1.08	1.09	1.09	1.10	1.12	1.13	1.15

Broker forecasts for the EUR/USD pair were reviewed downwards this week. The pair would move to 1.09 in Q3-23 against 1.10 a week earlier then to 1.10 in Q4-23 against 1.11 initially. This should stand at 1.11 in Q1-24 against 1.12 the previous week and in Q2-24 at 1.12, unchanged. On an annual basis, the target is 1.14 in 2024 against 1.15 initially. In the LT, the pair would stabilize at 1.17 in 2025, 2026 and 2027.

Inflation in the United States stood at 3.2% in July after 3.0% in June. The Fed had hiked +25 BPS in July, bringing Fed Funds rates into the range [5.25% - 5.50%]. Markets widely expect a pause in the Fed's monetary tightening in September but the scenario of a +25 BPS hike remains highly likely.

In the Euro Zone, inflation fell from 5.5% in June to 5.3% in July. The ECB decided at its monetary policy meeting in July to raise its key rate to 3.75%, an increase of +25 BPS. Despite inflation still well above the MT target of 2%, the ECB could interrupt its monetary tightening cycle. Indeed, it fears a deterioration in the economic outlook in the Euro Zone. In the end, the gradual reduction of the monetary policy divergence between the Fed and the ECB should benefit the Euro on the MLT.

### UPWARD REVIEW OF OUR 1-MONTH, 2-MONTHS AND 3-MONTHS HORIZON FORECAST



Based on EUR/USD Bloomberg forecast for Q3-23



Based on EUR/USD Bloomberg forecast for Q3-23

Taking into account the forecasts of the EUR/USD parity and the liquidity conditions on the foreign exchange market, we have reviewed upwards our USD/MAD forecasts for 1, 2 and 3 months.

Brokers' EUR/USD forecasts were reviewed downwards this week. These stand out in favor of a fall in the Dollar over the next 3 months compared to spot levels.

MAD liquidity spreads should continue to tighten in anticipation of the end of the summer period.

Under these conditions, the target levels of the USD/MAD parity stand at 10.08, 10.08 and 10.13 over 1, 2 and 3 month horizons compared to a spot price of 10.11.

The target levels of the EUR/MAD parity stand at 10.92, 10.92 and 10.98 over 1, 2 and 3 month horizons against a spot price of 10.93.

### MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
<b>1 WEEK</b>	+1.24%	+0.71%	+0.88%	+1.04%	+0.51%	+0.72%
<b>1 MONTH</b>	+3.89%	+1.70%	+0.72%	+0.86%	+2.15%	+2.06%
<b>YTD 2023</b>	-3.21%	-2.07%	-12.64%	-3.53%	+1.36%	+0.78%

Prices as of 08/25/2023



# APPENDICES

DATA AS OF AUGUST 28<sup>TH</sup>, 2023

## APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q3-23	Q4-23	Q1-24	Q2-24	2024	2025	2026
<b>FORECAST</b>	USD/JPY	141	136	133	130	127	120	--
<b>FORWARD</b>	1.47	146	144	142	140	136	130	125
<b>FORECAST</b>	USD/CAD	1.33	1.31	1.3	1.29	1.28	1.27	1.29
<b>FORWARD</b>	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
<b>FORECAST</b>	USD/CHF	0.89	0.89	0.89	0.90	0.90	0.89	0.93
<b>FORWARD</b>	0.89	0.88	0.88	0.87	0.86	0.84	0.82	0.80
<b>FORECAST</b>	GBP/USD	1.27	1.27	1.26	1.27	1.30	1.32	1.23
<b>FORWARD</b>	1.26	1.26	1.26	1.26	1.25	1.25	1.24	1.23

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

	Date	Q3-2023	Q4-2023	Q1-2024	Q2-2024	2024
Wells Fargo	08/25/23	1.07	1.06	1.07	1.09	1.11
Standard Chartered	08/22/23	1.09	1.1	1.12	1.13	1.14
RBC Capital Markets	08/10/23	1.07	1.04	1.04	1.07	1.15
Commerzbank	07/10/23	1.12	1.14	1.12	1.1	1.08
JPMorgan Chase	07/07/23	1.05	1.05	1.08	1.12	--
BNP Paribas	06/13/23	1.1	1.12	1.13	1.15	1.18
Banco Santander	08/25/23	1.07	1.09	1.1	1.12	--
Investec	08/24/23	1.1	1.12	1.13	1.14	1.15
Maybank Singapore	08/24/23	1.08	1.09	1.11	1.13	1.15
Nomura Bank International	08/24/23	1.08	1.07	1.09	1.1	1.12
Danske Bank	08/23/23	1.08	1.07	1.05	1.04	--
Ebury	08/23/23	1.1	1.12	1.13	1.14	1.15
Polski Instytut Ekonomiczny	08/23/23	1.09	1.09	1.1	1.1	1.1
Alpha Bank	08/22/23	1.09	1.12	1.13	1.15	1.16
Commonwealth Bank of Australia	08/22/23	1.1	1.08	1.1	1.14	1.22
BMO Capital Markets	08/21/23	1.01	1.12	1.13	1.14	1.15
Credit Agricole CIB	08/21/23	1.09	1.1	1.11	1.09	1.05

In gray, the main brokers retained to calculate the EURUSD consensus for Q3-23  
Prices as of 08/28/2023

# 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 - DUBAÏ

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.