



WEEKLY MAD INSIGHTS

CURRENCIES

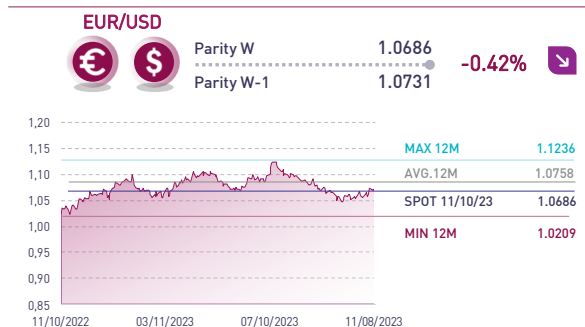
17 NOVEMBER
2023

Week from 11/06/2023 to 11/10/2023

MAIN WEEKLY VARIATIONS

		-0.11%			-0.63%
USD/MAD	10.2459		CAD/MAD	7.4160	
		+0.27%			-0.14%
EUR/MAD	10.9477		GBP/MAD	12.5190	
		-0.94%			+0.26%
JPY/MAD	6.7648		CHF/MAD	11.3650	

INTERNATIONAL HIGHLIGHTS



	Basket Effect ⁽¹⁾	USD/MAD: -0.23%	EUR/MAD: +0.15%
	Market Effect ⁽²⁾	+0.12%	+0.12%

(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

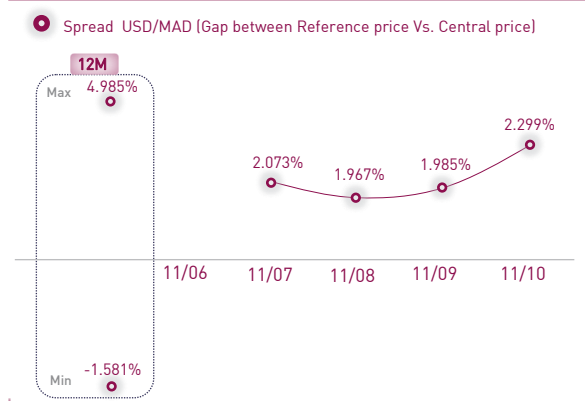
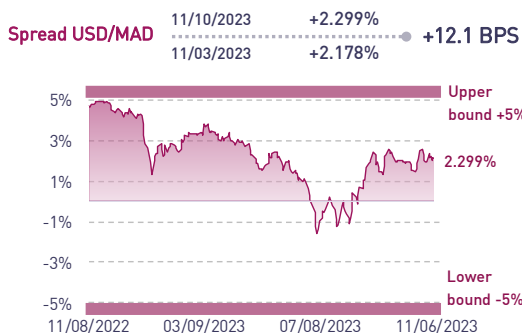
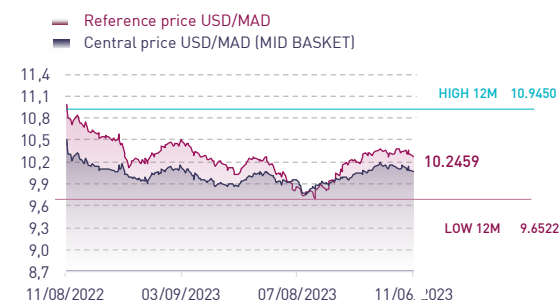
Fed's restrictive speech strengthens the Dollar

The Euro fell this week by -0.42% from 1.0731, a peak of almost 2 months, to 1.0686.

This evolution is due to Fed's restrictive speech this week. Indeed, Jerome Powell seems convinced that current monetary policy is not enough restrictive to stem current inflationary risks and that further rate increases are not completely ruled out. These statements led financial markets to postpone their expectations of interest rate cuts starting H2-2024, which strengthened the Dollar this week.

On the Euro Zone side, the vice-president of the ECB suggested that interest rates will remain at their current levels on the ST.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



A slight appreciation of the MAD this week

The USD/MAD pair fell -0.11% from 10.26 to 10.25 this week.

This evolution is explained by a *negative basket effect* of -0.23%, more significant than the *market effect* which came out in positive territory at +0.12%. This situation is mainly explained by the tightening of liquidity conditions on the interbank foreign exchange market in Morocco during the end of the year.

Under these conditions, liquidity spreads' levels of the dirham tightened by +12 BPS (2.18% to 2.30%) under the effect of import flows which weighed on the MAD liquidity this week.

VOLATILITY INDICATORS

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 MONTH	6.53%	5.22%	7.05%	5.62%	5.90%	6.25%
2 MONTHS	5.85%	4.89%	6.50%	6.61%	5.90%	6.60%
3 MONTHS	6.64%	5.65%	7.73%	6.89%	6.42%	6.84%

Brokers anticipate an appreciation of the Dollar

While the ECB and the Fed took a break from their latest monetary policy meeting, volatility remains very high in the financial markets.

To this end, we recommend implementing ST hedging strategies. To this end, we advise that importers hedge their operations in USD over 3-month horizons.

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

17 NOVEMBER
2023

Week from 11/06/2023 to 11/10/2023

EUR/USD OUTLOOK – BLOOMBERG

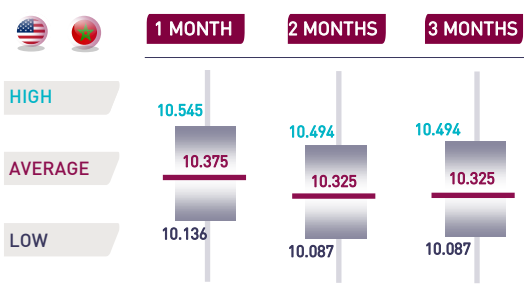
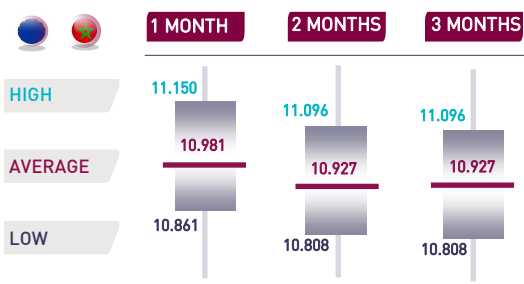
	SPOT	Q4-23	Q1-24	Q2-24	Q3-24	2024	2025	2026	2027
MEDIAN		1.06	1.07	1.09	1.10	1.11	1.15	1.16	1.17
AVERAGE	1.0686	1.06	1.07	1.09	1.10	1.12	1.15	1.17	1.17
+HIGH	11/10/2023	1.09	1.12	1.14	1.15	1.18	1.20	1.20	1.20
+LOW		1.00	1.02	1.02	1.03	1.05	1.10	1.15	1.15
FORWARD		1.07	1.07	1.08	1.08	1.09	1.11	1.12	1.14

Broker forecasts for the EUR/USD pair have been stable this week. The pair would move to 1.06 in Q4-23 then to 1.07 in Q1-24. This would settle at 1.09 in Q2-24 then increase to 1.10 in Q3-24. On an annual basis, the target is 1.12 in 2024. On the LT, the pair stands at 1.15 in 2025, 1.17 in 2026 and 2027.

Inflation in the United States stood at 3.7% in September, the same level as in August. The FOMC decided to take another pause in its monetary tightening in November after raising the Fed Fund rates to [5.25% - 5.50%]. The Fed has said it is not completely satisfied with the progress being made on inflation and that monetary policy may not be tight enough. A situation which induces increased volatility within the financial markets.

In EZ, inflation fell to 2.9% in October after 4.3% in September. The ECB maintained its deposit rate at 4.0% in October after deciding 10 hikes since July 2022. The institution said interest rates are now in sufficiently restrictive territory for inflation to converge at target level of 2% on the MT. In our opinion, the reduction in the FED-ECB interest rate divergence should be favorable to the Euro on the MLT.

WE MAINTAIN OUR 1-MONTH, 2-MONTHS AND 3-MONTHS HORIZON FORECAST



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 maintained our USD/MAD forecasts for 1, 2 and 3 months.

Brokers' EUR/USD forecasts are in favor of an appreciation of the Dollar over the next 3 months compared to spot levels.

MAD liquidity spreads should gradually tighten over 1-month horizon compared to spot levels given greater import flows, then ease slightly over a 2- and 3-months horizon.

Under these conditions, the target levels of the USD/MAD parity stand at 10.38, 10.33 and 10.33 over horizons of 1, 2 and 3 months against a spot price of 10.25.

The target levels of the EUR/MAD parity stand at 10.98, 10.93 and 10.93 over 1, 2 and 3 month horizons against a spot price of 10.95.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.11%	+0.27%	-0.94%	-0.63%	-0.14%	+0.26%
1 MONTH	-0.25%	+0.71%	-1.83%	-1.80%	-0.47%	+0.29%
YTD 2023	-1.93%	-1.90%	-14.67%	-3.97%	-0.56%	+0.26%

Prices as of 11/10/2023



APPENDICES

DATA AS OF NOVEMBER 13TH, 2023

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q4-23	Q1-24	Q2-24	Q3-24	2024	2025	2026
FORECAST	USD/JPY	147	143	140	136	134	126	130
FORWARD	151	150	148	146	144	142	136	131
FORECAST	USD/CAD	1.36	1.35	1.33	1.32	1.3	1.26	1.28
FORWARD	1.38	1.38	1.38	1.38	1.38	1.38	1.37	1.37
FORECAST	USD/CHF	0.91	0.90	0.90	0.90	0.90	0.89	0.89
FORWARD	0.90	0.90	0.89	0.88	0.87	0.86	0.84	0.81
FORECAST	GBP/USD	1.22	1.23	1.24	1.26	1.27	1.28	1.30
FORWARD	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.23

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

	Date	Q4-2023	Q1-2024	Q2-2024	Q3-2024	2024
RBC Capital Markets	11/09/23	1.04	1.03	1.02	1.05	1.08
Wells Fargo	10/26/23	1.03	1.02	1.02	1.03	1.05
Commerzbank	10/13/23	1.06	1.09	1.12	1.1	1.09
BNP Paribas	10/03/23	1.07	1.11	1.12	1.13	1.15
JPMorgan Chase	09/18/23	1.05	1.05	1.08	1.12	--
Standard Chartered	09/06/23	1.1	1.12	1.13	1.14	1.14
Jyske Bank	11/13/23	1.05	1.05	1.09	1.1	1.1
Rabobank	11/13/23	1.03	1.02	1.03	1.05	1.18
Sumitomo Mitsui Trust Bank	11/10/23	1.07	1.08	1.09	1.08	--
iBanFirst	11/08/23	1.05	1.07	1.09	1.11	1.15
Cinkciarz.pl	11/03/23	1.09	1.11	1.13	1.15	1.17
Landesbank Baden-Wuerttemberg	11/03/23	1.06	1.07	1.08	1.09	1.1
Amdocs Development Ltd	11/02/23	1.05	1.07	1.1	--	--
Klarity FX	11/01/23	1.07	1.1	1.11	1.12	--
Mizuho Bank	11/01/23	1.07	1.06	1.05	1.07	--
Axis Bank	10/31/23	1.11	1.06	1.07	1.08	1.09
Banco Bilbao Vizcaya Argentaria	10/31/23	1.06	1.08	1.1	1.11	1.12

In gray, the main brokers retained to calculate the EURUSD consensus for Q3-23
Prices as of 11/13/2023

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.