



WEEKLY MAD INSIGHTS

CURRENCIES

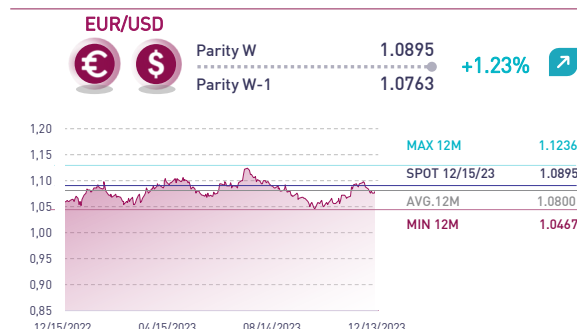
22 DECEMBER
2023

Week from 12/11/2023 to 12/15/2023

MAIN WEEKLY VARIATIONS

		-0.47%			+0.92%
USD/MAD	10.1029		CAD/MAD	7.5507	
		+1.19%			+1.06%
EUR/MAD	11.0778		GBP/MAD	12.9070	
		+1.57%			+0.51%
JPY/MAD	7.1308		CHF/MAD	11.6630	

INTERNATIONAL HIGHLIGHTS



	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	-1.00%	+0.66%
Market Effect ⁽²⁾	+0.53%	+0.53%

(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

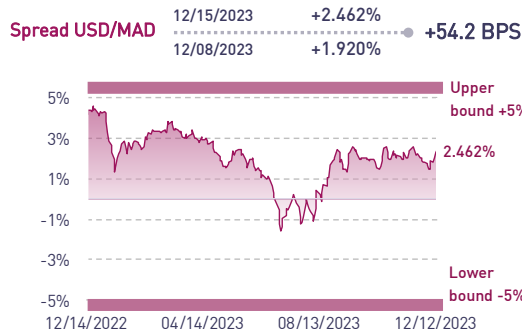
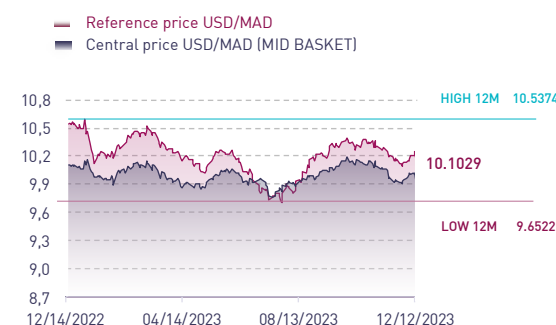
Towards a Fed monetary pivot in 2024

After a three-week low, the EUR/USD parity appreciated sharply this week by +1.23% to 1.0895.

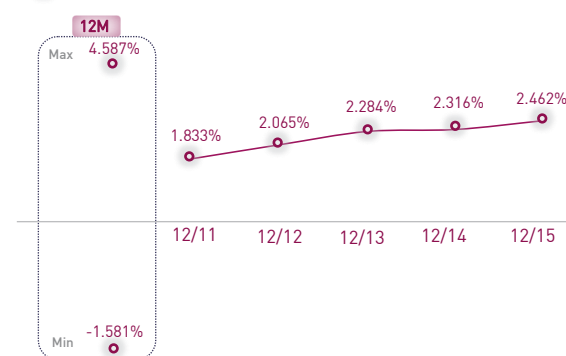
At its last meeting of the year, the FOMC decided to keep interest rates unchanged as widely anticipated. However, Fed Chairman opened the way to rate cuts from March 2024. The new projections now forecast a continued decline in inflation in the United States, with the target of inflation at 2% at the MT. This change in tone from the Fed signals a very accommodating pivot which benefited to the Euro this week.

For its part, the ECB has also decided to take a pause but has not signaled an upcoming interest rate cut.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



A basket effect in favor of the Dirham this week

The USD/MAD depreciated this week by -0.47% from 10.15 to 10.10.

This evolution is mainly explained by a negative basket effect of -1.00% following the depreciation of the Dollar internationally this week. The liquidity effect, for its part, comes out positive at +0.53% to the disadvantage of the MAD. This is due to the increase in liquidity spreads of +54 PBS up from 1.92% to 2.46%. This situation could be explained by a tightening of liquidity conditions on the interbank foreign exchange market in Morocco. According to our discussions with the trading floor, import flows were relatively superior to those from exports this week.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	5.41%	5.41%	14.48%	5.25%	5.48%	6.18%
2 MONTHS	5.74%	5.20%	11.90%	5.77%	5.49%	6.49%
3 MONTHS	5.64%	4.90%	10.50%	5.91%	5.77%	6.63%

High volatility following the Fed's Dovish pivot

The markets experienced very high volatility at the end of the week following the Fed's declarations regarding the start of the monetary pivot through Fed Funds rate cuts from Q1-24. Brokers' forecasts are in favor of an appreciation of the Dollar against the Euro on the ST.

To this end, we recommend investors to hedge their Dollar transactions over 1 to 3 months.

Attijari Global Research

Lamyae Oudghiri

Manager
+212 529 03 68 18
Loudghiri@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.alaoui@attijariwafa.com



Attijari
Global Research



WEEKLY MAD INSIGHTS

CURRENCIES

22 DECEMBER
2023

Week from 12/11/2023 to 12/15/2023

EUR/USD OUTLOOK – BLOOMBERG

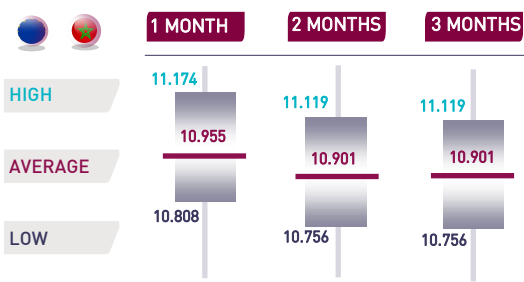
	SPOT	Q1-24	Q2-24	Q3-24	Q4-24	2025	2026	2027	2028
MEDIAN		1.09	1.10	1.11	1.12	1.14	1.16	1.15	1.15
AVERAGE	1.0895	1.08	1.10	1.11	1.12	1.15	1.17	1.16	1.14
+HIGH	12/15/2023	1.13	1.16	1.17	1.18	1.24	1.22	1.20	1.15
+LOW		1.00	1.03	1.04	1.05	1.10	1.11	1.11	1.11
FORWARD		1.10	1.10	1.11	1.11	1.13	1.15	1.16	1.18

Broker forecasts for the EUR/USD pair were reviewed upwards this week. The pair would move to 1.08 in Q1-24 then to 1.10 in Q2-24 compared to 1.09 the previous week. This would increase to 1.11 in Q3-24 then 1.12 in Q4-24. On an annual basis, the target is 1.15 in 2025. At LT, the pair stands at 1.17 in 2026 and 1.16 in 2027 compared to 1.18 initially for these two years. In 2028, it will be 1.14 compared to 1.17 previously.

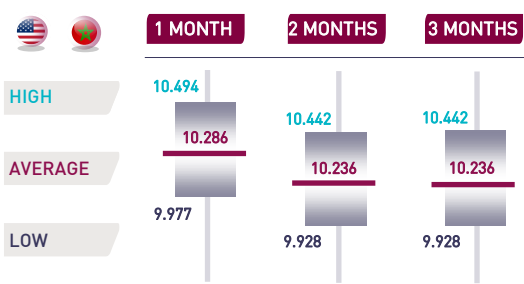
US inflation stood at 3.1% in November after 3.2% in October. At its last meeting of the year, the FOMC decided for the third time to keep the Fed Funds rates unchanged, i.e. in the range [5.25%-5.50%]. However, the Fed has paved the way for rate cuts in 2024 and its new economic projections now indicate 3 rate cuts in 2024 with a first cut from March 2024. On the Euro Zone side, despite inflation at 2.4% in November after 2.9% in October, the ECB, for its part, refrained from holding discussions on interest rate cuts during its next decisions on the key rate.

The signaling of the Fed's accommodative pivot and the current Status Quo of the ECB leads to the anticipation of a reduction in the divergence of interest rates between the Euro Zone and the United States. This would 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 Q1-24



Based on EUR/USD Bloomberg forecast for Q1-24

Taking into account the forecasts for the EUR/USD pair and the liquidity conditions on the foreign exchange market, we have reviewed upwards our forecasts for the USD/MAD pair over a 1, 2 and 3 month horizons.

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

MAD liquidity spreads would stabilize over a 1 month horizon compared to spot levels due to relatively large import flows before easing slightly over a 2 and 3 month horizons.

Under these conditions, the target levels of the USD/MAD parity stand at 10.29, 10.24 and 10.24 over horizons of 1, 2 and 3 months against a spot price of 10.10.

The target levels of the EUR/MAD parity are 10.95, 10.90 and 10.90 over 1, 2 and 3 month horizons against a spot price of 11.08.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.47%	+1.19%	+1.57%	+0.92%	+1.06%	+0.51%
1 MONTH	-0.42%	+0.57%	+5.72%	+1.92%	+2.10%	+2.10%
YTD 2023	-3.30%	-0.73%	-10.06%	-2.22%	+2.53%	+2.89%

Prices as of 12/15/2023



Attijari
Global Research



APPENDICES

DATA AS OF DECEMBER 18TH, 2023

APPENDIX 1 : BLOOMBERG FORECASTS FOR TENOR CURRENCIES

		Q1-24	Q2-24	Q3-24	Q4-24	2025	2026	2027
FORECAST FORWARD	USD/JPY 142	145	141	138	135	130	123	112
		140	138	136	134	130	125	121
FORECAST FORWARD	USD/CAD 1.34	1.35	1.34	1.33	1.31	1.28	1.28	1.3
		1.34	1.33	1.33	1.33	1.33	1.32	1.31
FORECAST FORWARD	USD/CHF 0.87	0.89	0.89	0.89	0.89	0.87	0.88	0.89
		0.86	0.85	0.84	0.83	0.81	0.79	0.77
FORECAST FORWARD	GBP/USD 1.27	1.25	1.26	1.27	1.29	1.32	1.34	1.37
		1.27	1.27	1.27	1.27	1.27	1.27	1.27

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

	Date	Q1-2024	Q2-2024	Q3-2024	Q4-2024	2025
BNP Paribas	12/15/23	1.1	1.12	1.14	1.15	1.18
Commerzbank	12/15/23	1.12	1.15	1.14	1.12	1.1
Wells Fargo	12/15/23	1.07	1.07	1.09	1.1	--
Standard Chartered	12/13/23	1.04	1.05	1.07	1.09	1.11
RBC Capital Markets	11/09/23	1.03	1.02	1.05	1.08	--
JPMorgan Chase	10/20/23	1.03	1.05	1.1	--	--
Kshitij Consultancy Services	12/18/23	1.06	1.05	1.08	1.1	--
Oversea-Chinese Banking Corp	12/18/23	1.09	1.1	1.1	1.12	1.15
AFEX	12/15/23	1.1	1.1	1.07	--	--
Danske Bank	12/15/23	1.1	1.07	1.06	--	--
Jyske Bank	12/15/23	1.05	1.09	1.1	1.1	--
Nomura Bank International	12/14/23	1.12	1.13	1.14	1.15	1.18
Rabobank	12/14/23	1.05	1.07	1.08	1.09	1.2
TD Securities	12/14/23	1.09	1.1	1.11	1.12	1.15
Sumitomo Mitsui Trust Bank	12/13/23	1.08	1.09	1.08	1.09	--
Axis Bank	12/12/23	1.06	1.07	1.08	1.09	1.1
CIMB	12/12/23	1.09	1.1	1.11	1.12	--

In gray, the main brokers retained to calculate the EURUSD consensus for Q1-24
Prices as of 12/18/2023

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 Iraqi +212 5 29 03 68 01 m.iraqi@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.benrhondane@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.