



WEEKLY MAD INSIGHTS

CURRENCIES

13 NOVEMBER
2024

Week from 11/04/2024 to 11/08/2024

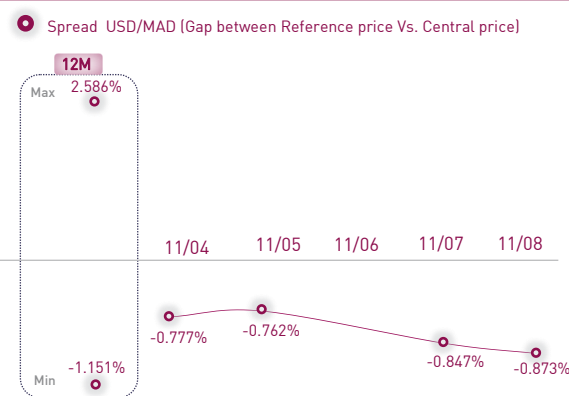
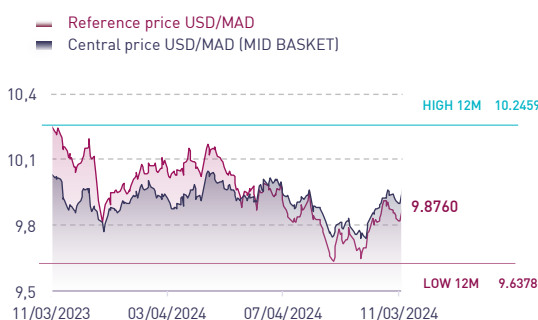
MAIN WEEKLY VARIATIONS

		+0.48%			+0.74%
USD/MAD		9.8760	CAD/MAD		7.1094
		-0.38%			+0.76%
EUR/MAD		10.6451	GBP/MAD		12.7980
		+0.44%			-0.13%
JPY/MAD		6.4747	CHF/MAD		11.3200

INTERNATIONAL HIGHLIGHTS



MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	3.37%	3.16%	6.71%	4.60%	4.59%	3.98%
2 MONTHS	3.71%	3.16%	8.97%	4.59%	5.14%	4.58%
3 MONTHS	4.03%	3.10%	9.06%	4.33%	4.70%	5.20%

	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	+0.53%	-0.33%
Market Effect ⁽²⁾	-0.05%	-0.05%

(1) Impact of the variation of the EUR/USD parity

(2) Impact of the variation in the liquidity spread (Supply / Demand)

The Dollar soars as Trump wins US election

The EUR/USD pair depreciated by -1.07% this week, from 1.0834 to 1.0718, reaching a 4-months low.

Trump's victory in the US elections propelled the Dollar higher. The US Dollar rose by its biggest daily raise since March 2020 on the day of the election results, +1.9% in a single session. Investors are anticipating the implementation of an aggressive trade policy by the new administration, which is favourable to the Dollar.

The FOMC held its November meeting this week and decided to cut the Fed Funds rate by -25 bps. Financial markets are still anticipating a further -25 bps rate cut in December.

A "basket" effect in favor of the Dollar this week

The USD/MAD pair appreciated this week by +0.48%, from 9.83 to 9.88.

This evolution is mainly explained by a positive *basket effect*. This comes out at +0.53% after the appreciation of the Dollar against the Euro this week. The *market effect*, for its part, comes out to less significant at -0.05%, i.e. a marginal impact in favor of the Dirham.

The liquidity spreads of the Dirham have thus relaxed from -5 BPS to -0.87% this week. The balance of export and import flows has made it possible to maintain these spreads in negative territory. However, the latter should readjust upwards over a 3-month horizon.

High volatility following Trump's election

The election of the new administration in the United States would determine important decisions in geopolitics and international trade. Markets would revise their expectations, which fuels the FX markets' volatility.

Taking into account the new forecasts on the foreign exchange market, we recommend importers to hedge their foreign currency transactions over a 3-month horizon.

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EUR/USD OUTLOOK – BLOOMBERG

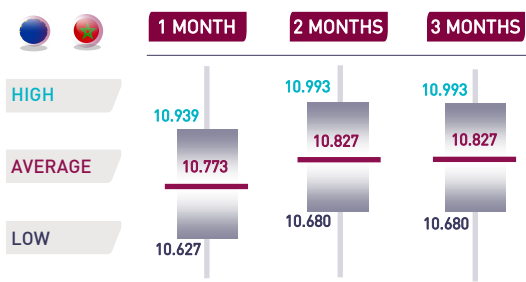
	SPOT	Q4-24	Q1-25	Q2-25	Q3-25	2025	2026	2027	2028
MEDIAN		1.08	1.10	1.10	1.10	1.09	1.11	1.10	1.11
AVERAGE	1.0718	1.08	1.09	1.09	1.10	1.09	1.11	1.10	1.11
+HIGH	11/08/2024	1.13	1.14	1.15	1.17	1.19	1.19	1.15	1.15
+LOW		1.05	1.02	1.00	1.00	1.00	1.04	1.06	1.06
FORWARD		1.07	1.07	1.08	1.08	1.09	1.11	1.13	1.15

Brokers' EUR/USD forecasts have been reviewed downwards this week. The pair is expected to move to 1.08 in Q4-24 from 1.10 a week earlier. It would move to 1.09 in Q1-25 from 1.10 initially. It would stabilize at 1.09 in Q2-25 from 1.11 the previous week before reaching 1.10 in Q3-25 from 1.12 initially. It would come out at 1.09 in Q4-25 from 1.12 previously. Over the period 2026-2028, the pair would come out on average at 1.11 from 1.14 initially.

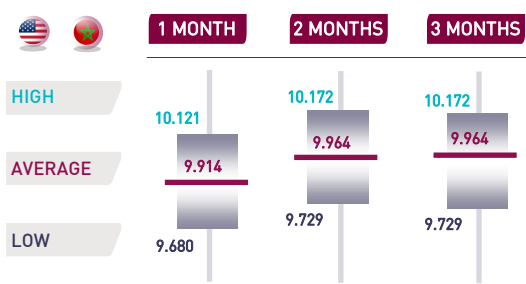
In the United States, inflation fell to 2.4% in September after 2.5% in August and 2.9% in July. Following the progress on inflation, the Fed began a new cycle of monetary easing through an initial interest rate cut of -50 BPS in September. In November, the Fed decided on a less aggressive cut of -25 BPS and the markets are anticipating a further cut of -25 BPS in December.

In the Eurozone, inflation unexpectedly rose again in October to 2.0% after 1.7% in September. After deciding on an initial rate cut in June and a pause in July, the ECB decided on 2 cuts in the deposit facility rate of -25 BPS in September and October as inflation had been decreasing. However, the unexpected rise in inflation in October could slow down the ECB's rate cut process in the coming months.

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



Based on EUR/USD Bloomberg forecast for Q4-24



Based on EUR/USD Bloomberg forecast for Q4-24

Given the EUR/USD parity forecasts and the liquidity conditions on the foreign exchange market, we have reviewed upwards our forecasts for the USD/MAD pair at 1-month, 2-month and 3-month horizons.

The EUR/USD forecasts of brokers are in favor of an appreciation of the Euro against the Dollar up to 3 months horizon compared to spot levels.

The MAD liquidity spreads should gradually tighten at 1-month horizon, then 2-months and 3-months horizons compared to the spot level.

In these conditions, the target levels of the USD/MAD parity stand at 9.91, 9.96 and 9.96 over 1-, 2- and 3-months horizons against a spot rate of 9.88.

The target levels for the EUR/MAD parity stand at 10.77, 10.83 and 10.83 at 1, 2 and 3 month horizons against a spot rate of 10.65.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.48%	-0.38%	+0.44%	+0.74%	+0.76%	-0.13%
1 MONTH	+0.73%	-1.15%	-2.31%	-1.05%	-0.33%	-1.16%
YTD 2023	-0.17%	-2.74%	-7.24%	-4.74%	+1.66%	-4.09%

Prices as at 11/08/2024



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APPENDICES

DATA AS OF NOVEMBER 12TH, 2024

APPENDIX 1 : BLOOMBERG FORECASTS OF CURRENCY PAIRS TENORS

		Q4-24	Q1-25	Q2-25	Q3-25	2025	2026	2027
FORECAST FORWARD	USD/JPY 154	147	144	142	140	140	135	135
		153	151	150	148	147	142	137
FORECAST FORWARD	USD/CAD 1.39	1.38	1.36	1.35	1.34	1.35	1.34	1.32
		1.39	1.39	1.38	1.38	1.37	1.36	1.34
FORECAST FORWARD	USD/CHF 0.88	0.87	0.88	0.88	0.88	0.89	0.88	--
		0.88	0.87	0.86	0.85	0.84	0.81	0.78
FORECAST FORWARD	GBP/USD 1.29	1.29	1.30	1.30	1.31	1.29	1.30	--
		1.29	1.29	1.29	1.29	1.29	1.28	1.28

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

	Date	Q4-2024	Q1-2025	Q2-2025	Q3-2025	2025
Commerzbank	11/07/24	1.06	1.05	1.05	1.06	1.07
Wells Fargo	10/28/24	1.08	1.06	1.04	1.03	1.02
JPMorgan Chase	10/18/24	1.05	1.12	1.12	1.15	--
Standard Chartered	09/23/24	1.13	1.14	1.15	1.15	1.15
BNP Paribas	09/10/24	1.12	1.13	1.14	1.14	1.15
RBC Capital Markets	09/09/24	1.08	1.09	1.1	1.11	1.12
Axis Bank	11/12/24	1.05	1.07	1.07	1.08	1.09
Sumitomo Mitsui Trust Bank	11/12/24	1.08	1.09	1.1	1.1	--
Ballinger & Co.	11/11/24	1.05	1.04	1.03	1.03	1.02
NAB/BNZ	11/11/24	1.05	1.04	1.05	1.06	1.07
Resona Holdings	11/11/24	1.11	1.13	1.13	1.14	--
Swedbank	11/11/24	1.06	1.05	1.05	1.07	1.08
Landesbank Baden-Wuerttemberg	11/08/24	1.05	1.02	1	1	1
Nomura Bank International	11/08/24	1.07	1.05	1.03	1.03	1.03
AFEX	11/07/24	1.07	1.11	1.11	--	--
Woori Bank	11/06/24	1.09	1.1	1.12	1.1	1.11
Credit Agricole CIB	11/05/24	1.08	1.08	1.09	1.1	1.12

In gray, the main brokers selected to compute the EURUSD consensus for Q4-24
Prices as at 11/12/2024

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