



WEEKLY MAD INSIGHTS

CURRENCIES

22 NOVEMBER
2024

Week from 11/11/2024 to 11/15/2024

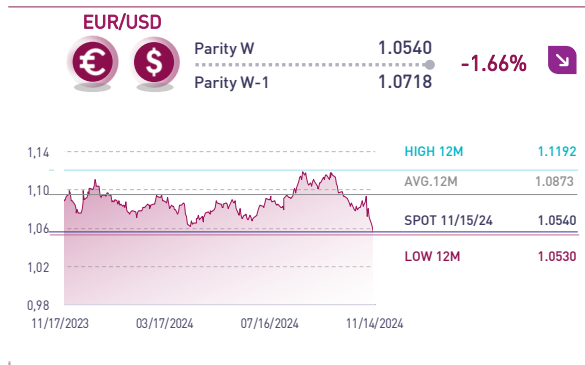
MAIN WEEKLY VARIATIONS

		+1.06%			-0.11%
USD/MAD		9.9806	CAD/MAD		7.1013
		-0.96%			-1.23%
EUR/MAD		10.5431	GBP/MAD		12.6400
		-0.90%			-0.70%
JPY/MAD		6.4165	CHF/MAD		11.2410

	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	+1.22%	-0.80%
Market Effect ⁽²⁾	-0.16%	-0.16%

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

INTERNATIONAL HIGHLIGHTS



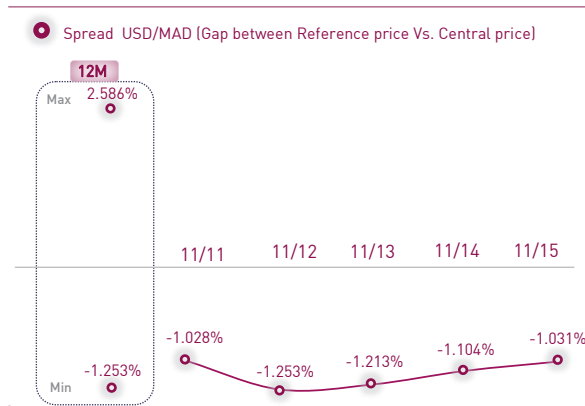
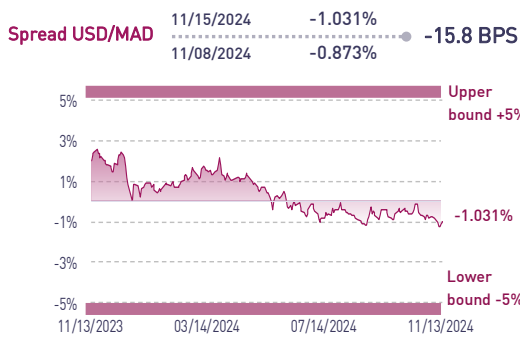
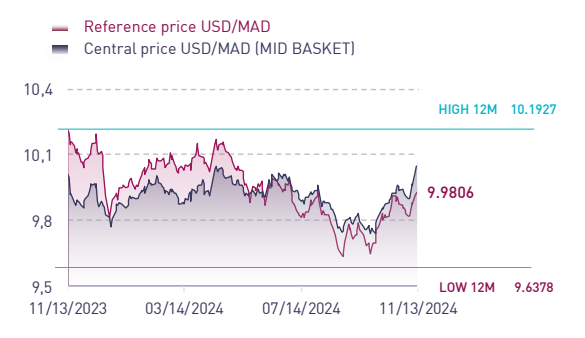
Trump's election strongly supports the Dollar

The EUR/USD pair depreciated by -1.66% this week, from 1.0718 to 1.0540, the lowest level since October 2023.

Following Trump's election last week, markets are anticipating the implementation of an aggressive foreign trade policy that is very favorable to the Dollar. This is an election promise concerning an increase in customs duties of at least 10% on imports. These duties could reach 60% for imports from China.

These measures, considered inflationary, could slow down Fed's monetary easing process, which would further strengthen the Dollar.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



A strong "basket" effect in favor of the Dollar

The USD/MAD pair appreciated this week by +1.06%, up from 9.88 to 9.98, a 5-month high.

This evolution is explained by a positive *basket effect*. It comes out at +1.22% after the appreciation of the Dollar against the Euro this week. The *market effect* comes out to be less significant at -0.16% in favor of the Dirham.

The liquidity spreads of the Dirham thus eased -16 BPS to -1.03% this week. Despite the end of the summer, the good performance of export flows maintained these spreads in negative territory. However, they would gradually readjust upwards over a 3-month horizon.

VOLATILITY INDICATORS

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 MONTH	3.78%	3.84%	6.67%	4.24%	5.06%	3.87%
2 MONTHS	3.80%	3.27%	7.92%	4.48%	5.18%	4.28%
3 MONTHS	4.20%	3.38%	8.94%	4.40%	4.81%	5.01%

EUR/USD follows a bearish trend this week

The election of Trump in the United States should determine important decisions in geopolitics and international trade. The bearish trend of the EUR/USD this week reflects the new expectations of the financial markets.

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

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WEEKLY MAD INSIGHTS

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EUR/USD OUTLOOK – BLOOMBERG

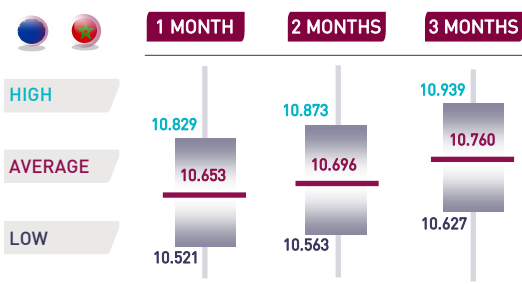
	SPOT	Q4-24	Q1-25	Q2-25	Q3-25	2025	2026	2027	2028
MEDIAN		1.07	1.07	1.07	1.08	1.08	1.10	1.13	1.13
AVERAGE	1.0540	1.07	1.08	1.08	1.09	1.09	1.11	1.13	1.13
+HIGH	11/15/2024	1.11	1.13	1.15	1.17	1.19	1.21	1.22	1.20
+LOW		1.02	1.00	1.00	1.00	1.00	1.04	1.06	1.06
FORWARD		1.06	1.06	1.07	1.08	1.08	1.10	1.12	1.14

Brokers' EUR/USD forecasts were reviewed downwards on the short term this week. The pair is expected to move to 1.07 in Q4-24 from 1.08 a week earlier. It would move to 1.08 in Q1-25 from 1.09 initially. It would stabilize at 1.08 in Q2-25 from 1.09 the previous week before reaching 1.09 in Q3-25 from 1.10 initially. It would come out at 1.09 in Q4-25 and at 1.11 in 2026. Over the 2027-2028 period, the pair would come out on average at 1.13 from 1.11 initially.

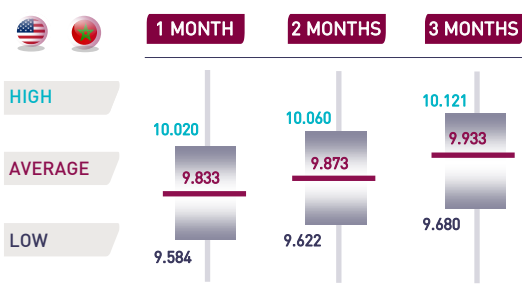
In the United States, inflation rebounded to 2.6% in October after 2.4% in September. Taking into account the progress made against inflation, the Fed has started a new monetary easing cycle through a 50 BPS cut in September and -25 BPS in November. Markets are anticipating a further 25 BPS cut in December. These expectations could be reviewed downwards depending on the future inflation trajectory.

In the Eurozone, inflation unexpectedly rose again in October to 2.0% after 1.7% in September. After deciding on a first 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. However, the unexpected rise in inflation in October could slow down the ECB's rate cut process in the coming months.

DOWNWARD 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 downwards our forecasts for the USD/MAD pair at 1-month, 2-month and 3-month horizons.

The EUR/USD forecasts of brokers are in favour 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 for the USD/MAD parity stand at 9.83, 9.87 and 9.93 over 1-, 2- and 3-months horizons against a spot rate of 9.98.

The target levels for the EUR/MAD parity stand at 10.65, 10.70 and 10.76 at 1, 2 and 3 months horizons against a spot rate of 10.54.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+1.06%	-0.96%	-0.90%	-0.11%	-1.23%	-0.70%
1 MONTH	+1.50%	-1.69%	-2.69%	-0.27%	-1.74%	-1.50%
YTD 2023	+0.89%	-3.67%	-8.07%	-4.85%	+0.41%	-4.76%

Prices as at 11/15/2024



APPENDICES

DATA AS OF NOVEMBER 19TH, 2024

APPENDIX 1 : BLOOMBERG FORECASTS OF CURRENCY PAIRS TENORS

		Q4-24	Q1-25	Q2-25	Q3-25	2025	2026	2027
FORECAST	USD/JPY	151	150	145	143	141	137	135
FORWARD	155	154	152	151	150	148	143	138
FORECAST	USD/CAD	1.39	1.38	1.38	1.36	1.36	1.34	1.34
FORWARD	1.40	1.4	1.4	1.39	1.39	1.39	1.37	1.36
FORECAST	USD/CHF	0.88	0.88	0.88	0.88	0.89	0.87	--
FORWARD	0.89	0.88	0.87	0.86	0.86	0.85	0.81	0.78
FORECAST	GBP/USD	1.29	1.29	1.30	1.29	1.29	1.33	1.37
FORWARD	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26

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

	Date	Q4-2024	Q1-2025	Q2-2025	Q3-2025	2025
Commerzbank	11/15/2024	1.06	1.05	1.05	1.06	1.07
RBC Capital Markets	11/12/2024	1.06	1.02	1.02	1.03	1.05
Wells Fargo	10/28/2024	1.08	1.06	1.04	1.03	1.02
JPMorgan Chase	10/18/2024	1.05	1.12	1.12	1.15	--
Standard Chartered	9/23/2024	1.13	1.14	1.15	1.15	1.15
BNP Paribas	9/10/2024	1.12	1.13	1.14	1.14	1.15
Rabobank	11/18/2024	1.06	1.05	1.04	1.04	1.08
TD Securities	11/18/2024	1.06	1.03	1.01	1.04	1.06
United Overseas Bank	11/15/2024	1.1	1.12	1.14	1.16	1.18
Landesbank Baden-Wuerttemberg	11/14/2024	1.05	1.02	1	1	1
Argentex LLP	11/13/2024	1.08	1.07	1.08	1.09	--
BMO Capital Markets	11/13/2024	1.02	1	1.03	1.04	1.05
Jyske Bank	11/13/2024	1.05	1.05	1.05	1.05	--
Kshitij Consultancy Services	11/13/2024	1.08	1.09	1.11	1.1	--
Monex USA Corp	11/13/2024	1.07	1.07	1.07	1.07	1.07
Axis Bank	11/12/2024	1.05	1.07	1.07	1.08	1.09
MUFG	11/12/2024	1.04	1.02	1.05	1.08	--

In gray, the main brokers selected to compute the EURUSD consensus for Q4-24
Prices as at 11/19/2024

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