



WEEKLY MAD INSIGHTS

CURRENCIES

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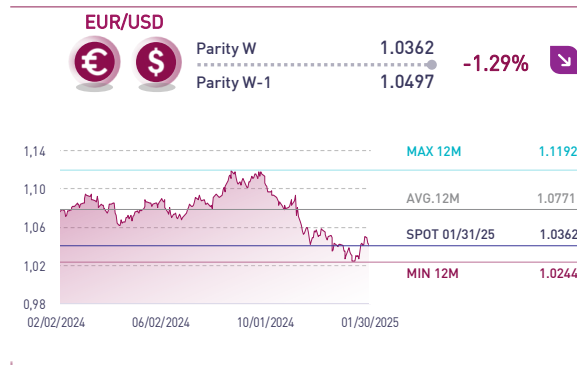
07 FEBRUARY
2025

Week from 01/27/2025 to 01/31/2025

MAIN WEEKLY VARIATIONS

		+0.46%			-0.58%
USD/MAD		10.0377	CAD/MAD		6.9315
		-0.56%			+0.44%
EUR/MAD		10.4172	GBP/MAD		12.4590
		+0.97%			-0.22%
JPY/MAD		6.4859	CHF/MAD		11.0200

INTERNATIONAL HIGHLIGHTS

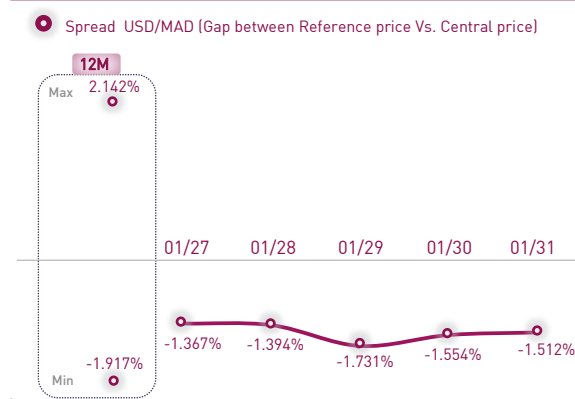
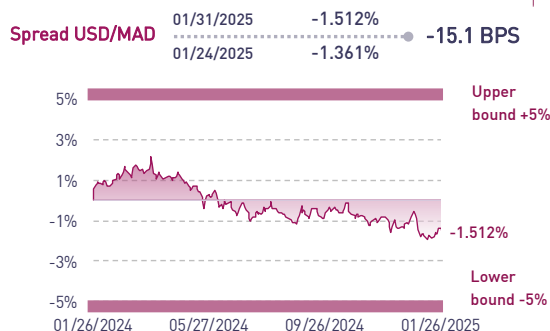
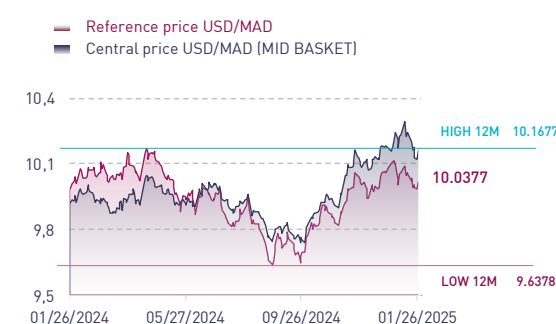


Key rate: ECB reduces its deposit facility rate to 2.75%

The EUR/USD pair depreciated by -1.29% this week to 1.0362. The Dollar strengthened, benefiting from its safe haven status following Trump's decision to increase import tariffs to 25% for Mexico and Canada and to 10% for China.

During this week, the FOMC decided to keep the Fed Funds rates in the range [4.25%-4.50%] in a context of uncertainty related to the new tariff measures. The ECB, for its part, decided to reduce its deposit facility rate by -25 BPS to 2.75%, specifying that the disinflation process is well underway in the Eurozone.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



The Dollar benefits from its status as a safe haven

The USD/MAD pair appreciated this week by +0.46% from 9.99 to 10.04.

This evolution is due to a positive *basket effect* in favor of the Dollar. This comes out at +0.61% following the appreciation of the Dollar internationally this week. On the other hand, the *market effect*, comes out negative at -0.15% after the easing of liquidity conditions of the Dirham.

The liquidity spreads of the Dirham ease by -15.1 BPS to -1.51%. These negative spreads reflect the resilience of the liquidity of the Dirham which remains bullish compared to its reference basket since the summer of 2024.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.41%	5.55%	7.26%	3.77%	7.34%	3.43%
2 MONTHS	3.99%	4.97%	7.30%	3.55%	6.38%	4.75%
3 MONTHS	4.07%	4.64%	8.37%	4.53%	5.75%	4.83%

Escalating trade tensions

Trump's new tariff measures are likely to trigger symmetrical responses from Mexico, Canada and China. A trade war would disrupt international trade. It would fuel inflation and pose a risk to global economic growth.

Given the uncertainties related to these tensions, we recommend exporters to hedge their transactions over a 3-month horizon.



WEEKLY MAD INSIGHTS

CURRENCIES

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EUR/USD OUTLOOK – BLOOMBERG

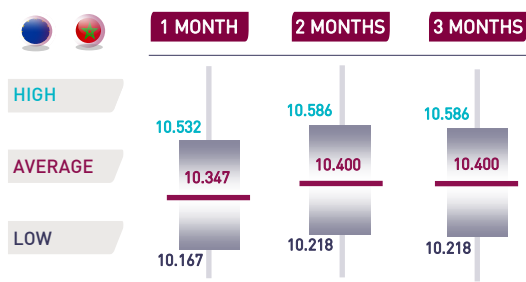
	SPOT	Q1-25	Q2-25	Q3-25	Q4-25	2026	2027	2028	2029
MEDIAN		1.03	1.03	1.04	1.05	1.08	1.10	1.12	1.13
AVERAGE	1.0362	1.03	1.03	1.04	1.05	1.08	1.11	1.13	1.14
+HIGH	01/31/2025	1.09	1.11	1.12	1.13	1.15	1.21	1.20	1.20
+LOW		0.97	0.98	0.96	0.98	1.00	1.08	1.10	1.12
FORWARD		1.03	1.04	1.05	1.05	1.07	1.09	1.12	1.14

Brokers' EUR/USD forecasts were stable this week. The pair is expected to move to 1.03 in Q1-25 through Q2-25. In Q3-25, it would rise to 1.04 and then to 1.05 in Q4-25. In 2026, the target is 1.08 and 1.11 in 2027 compared to 1.10 a week earlier. In 2028 and 2029, the target level stands at 1.13 and 1.14.

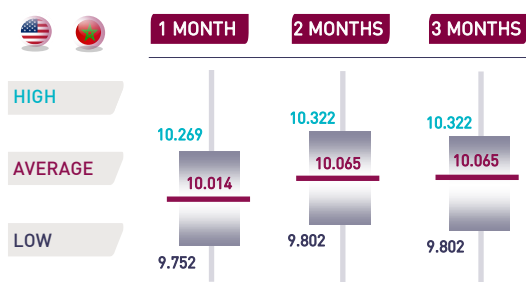
In the United States, inflation rebounded to 2.9% in December from a low of 2.4% in September. At the last FOMC meeting in January 2025, the Fed kept Fed Funds rates unchanged in the range [4.25%-4.50%]. However, the Fed is concerned about the uncertainties related to the tariff measures of the new Trump administration. These measures, considered inflationary, encourage the Fed to be cautious in its monetary easing process in 2025. Markets anticipate 2 additional rate cuts of -25 BPS each in June and December 2025.

In the Eurozone, inflation rebounded to 2.4% in December after 2.2% in November according to the latest figures from Eurostat. Following its monetary policy meeting in January 2025, the ECB considers that the disinflation process in the EZ is on track and expects inflation to return to the 2% target as early as 2025. It has therefore decided to reduce its deposit facility rate by -25 BPS to 2.75%. Markets anticipate continued monetary easing in a context marked by international trade uncertainties and risks to global economic growth.

UPWARD REVIEW OF OUR 1 MONTH, 2 MONTH AND 3 MONTH HORIZON FORECASTS



Based on EUR/USD Bloomberg forecast for Q1-25



Based on EUR/USD Bloomberg forecast for Q1-25

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

The EUR/USD forecasts of the brokers are in favor of a slight depreciation of the Euro against the Dollar up to 3 months compared to spot levels.

The MAD liquidity spreads would ease at 1 month horizon and then tighten at 2 months and 3 months horizons to return to spot levels.

In these conditions, the target levels of the USD/MAD parity stand at 10.01; 10.06 and 10.06 on horizons of 1, 2 and 3 months against a spot rate of 10.04.

The target levels of the EUR/MAD parity stand at 10.35; 10.40 and 10.40 at 1, 2 and 3 month horizons against a spot price of 10.42.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.46%	-0.56%	+0.97%	-0.58%	+0.44%	-0.22%
1 MONTH	-0.73%	-0.97%	+0.47%	-1.42%	-1.76%	-1.44%
YTD 2025	-0.73%	-0.97%	+0.47%	-1.42%	-1.76%	-1.44%

Prices as at 01/31/2025



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APPENDICES

DATA AS OF FEBRUARY 4TH, 2025

APPENDIX 1 : BLOOMBERG FORECASTS OF CURRENCY PAIRS TENORS

		Q1-25	Q2-25	Q3-25	Q4-25	2026	2027	2028
FORECAST FORWARD	USD/JPY 155	154	152	150	148	142	138	132
		154	152	151	149	144	139	135
FORECAST FORWARD	USD/CAD 1.46	1.43	1.44	1.42	1.4	1.38	1.35	1.34
		1.45	1.45	1.44	1.43	1.41	1.38	1.36
FORECAST FORWARD	USD/CHF 0.91	0.91	0.91	0.90	0.90	0.90	0.90	0.89
		0.91	0.90	0.89	0.88	0.84	0.81	0.78
FORECAST FORWARD	GBP/USD 1.24	1.24	1.25	1.25	1.27	1.30	1.33	1.36
		1.24	1.24	1.24	1.24	1.24	1.25	1.25

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

	Date	Q1-2025	Q2-2025	Q3-2025	Q4-2025	2026
Wells Fargo	01/27/25	1.03	1.01	1	0.99	--
Commerzbank	01/17/25	1.05	1.05	1.06	1.07	1.08
BNP Paribas	01/15/25	1.03	1.02	1.01	1	1
JPMorgan Chase	01/10/25	0.99	1.03	1.05	1.08	--
RBC Capital Markets	12/18/24	1.02	1.02	1.03	1.05	--
Standard Chartered	12/05/24	1.08	1.07	1.05	1.04	1.04
Investec	02/03/25	1	1	1.01	1.03	1.1
Mizuho Bank	02/03/25	1.04	1.03	1.01	0.98	--
PNC Financial	02/03/25	1.04	1.05	1.05	1.06	--
Societe Generale	02/03/25	1.01	1.04	1.05	1.07	--
TD Securities	02/03/25	0.99	1	1.03	1.05	1.08
Bank Julius Baer	01/31/25	1.01	1	0.99	0.98	1.07
Prestige Economics LLC	01/31/25	1.06	1.1	1.12	1.13	--
Resona Holdings	01/31/25	1.03	1.05	1.08	1.06	--
Banco Santander	01/31/25	1.07	1.09	1.1	1.11	--
Banco Bilbao Vizcaya Argentaria	01/30/25	1.03	1.06	1.07	1.09	1.13
Emirates NBD	01/30/25	1.05	1.04	1.03	1	1.05

In gray, the main brokers selected to compute the EURUSD consensus for Q1-25
Prices as at 02/04/2025

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