



# WEEKLY MAD INSIGHTS

## CURRENCIES

24 JANUARY  
2025

Week from 01/13/2025 to 01/17/2025

### MAIN WEEKLY VARIATIONS

		-0.19%			-0.31%
USD/MAD	10.0505		CAD/MAD	6.9708	
		-0.02%			-0.79%
EUR/MAD	10.3451		GBP/MAD	12.2500	
		+1.51%			+0.15%
JPY/MAD	6.4529		CHF/MAD	11.0260	

### INTERNATIONAL HIGHLIGHTS



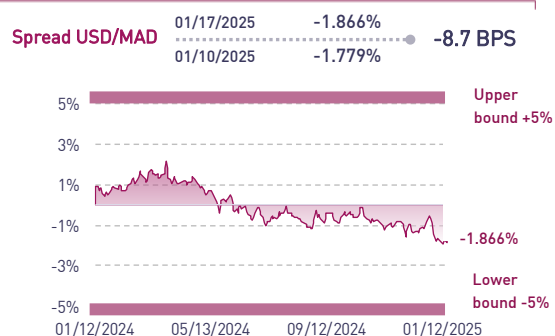
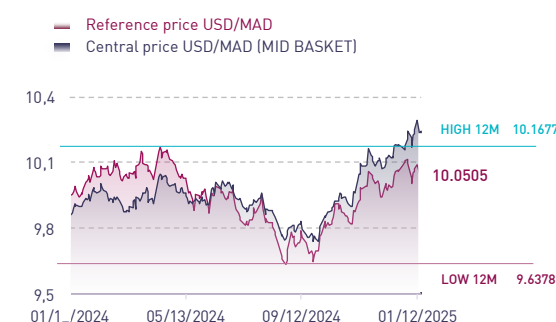
### Core Inflation decreases in the US

The EUR/USD pair appreciated by +0.28% this week to 1.0273, a low of more than 2 years.

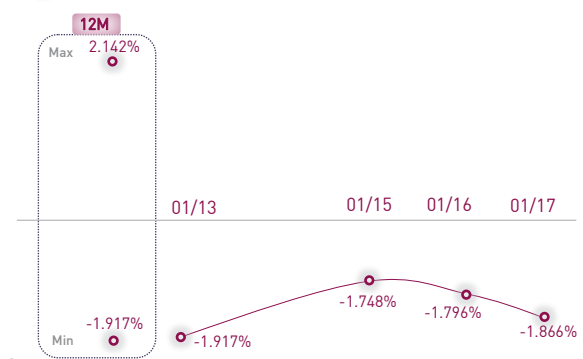
The consumer price index in the United States rose to 2.9% in December after 2.7% in November. Core inflation, meanwhile, fell to 3.2% in December against an initial forecast of 3.3%. This easing of prices supports the scenario of the continuation of the disinflation process and plays in favor of the monetary easing initiated in 2024 by the Fed, thus weakening the Dollar this week.

For the month of January, the markets still largely anticipate a status quo of the Fed's key rate.

### MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



### Continuous improvement of the liquidity of the Dirham

The USD/MAD pair depreciated this week by -0.19% from 10.07 to 10.05.

This evolution is driven by a double negative effect. On the one hand, the *basket effect* comes out at -0.10% as the Dollar weakened internationally. On the other hand, the *market effect* comes out at -0.09% after the easing of liquidity conditions of the Dirham.

The liquidity spreads of the Dirham thus continue to improve from -8.7 BPS to -1.87%. The good performance of export flows has thus made it possible to maintain these spreads in negative territory. It should be noted that in 2024, tourist arrivals in Morocco reached an all-time high of 17.4 million tourists.

### VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.34%	5.37%	8.64%	3.61%	7.32%	4.46%
2 MONTHS	4.00%	4.68%	9.43%	4.69%	5.99%	5.18%
3 MONTHS	3.96%	4.44%	8.60%	4.52%	5.63%	4.77%

### Concerns about economic growth

Trump's inauguration in the United States would be the source of political uncertainties. In particular, the promised measures in terms of increasing import tariffs would fuel inflation and pose a risk to global economic growth.

Given the uncertainties and volatility of the foreign exchange market, we recommend exporters hedge their transactions over a 3-month horizon.

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# WEEKLY MAD INSIGHTS

## CURRENCIES

24 JANUARY  
2025

Week from 01/13/2025 to 01/17/2025

### EUR/USD OUTLOOK – BLOOMBERG

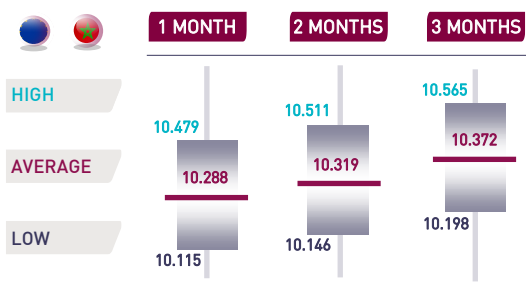
	SPOT	Q1-25	Q2-25	Q3-25	Q4-25	2026	2027	2028	2029
<b>MEDIAN</b>		1.03	1.04	1.04	1.05	1.08	1.10	1.12	1.13
<b>AVERAGE</b>	1.0273 01/17/2025	1.03	1.03	1.04	1.05	1.08	1.10	1.13	1.14
<b>+HIGH</b>		1.09	1.11	1.12	1.14	1.15	1.15	1.20	1.20
<b>+LOW</b>		0.97	0.98	0.96	0.98	1.00	1.08	1.10	1.12
<b>FORWARD</b>		1.04	1.05	1.05	1.06	1.08	1.10	1.12	1.14

Brokers' EUR/USD forecasts were stable this week. The pair is expected to move at 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 1.10 in 2027. In 2028, the target level is 1.13 compared to 1.12 the previous week.

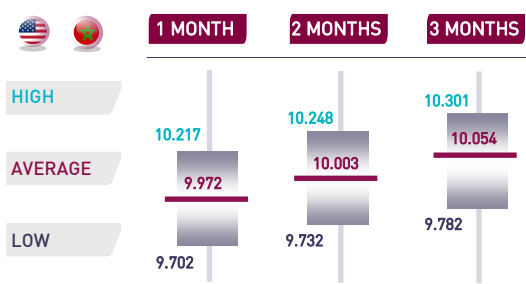
In the United States, inflation rebounded to 2.9% in December from a low of 2.4% in September. At the last FOMC meeting of 2024, the Fed decided to cut rates by -25 BPS to be in the range [4.25%-4.50%]. However, the Fed is concerned about political uncertainties in 2025. The measures promised by the new Trump administration in terms of international trade, considered inflationary, would limit the Fed in its monetary easing process in 2025.

In the Eurozone, inflation rebounded to 2.4% in December after 2.2% in November according to the latest figures from Eurostat. The ECB expects inflation to return to the 2% target by 2026. At its last meeting of the year, it decided to lower its 3 key rates by -25 BPS each. The deposit facility rate thus stands at 3.00%. The markets are now anticipating continued monetary easing in a context marked by political uncertainties in the United States and significant risks to economic growth in the EZ.

### WE MAINTAIN 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 maintained 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 an appreciation of the Euro against the Dollar up to 3 months compared to spot levels.

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

In these conditions, the target levels for the USD/MAD parity stand at 9.97, 10.00 and 10.05 over 1, 2 and 3 months horizons against a spot rate of 10.05.

The target levels for the EUR/MAD parity stand at 10.29; 10.32 and 10.37 at 1, 2 and 3 month horizons against a spot price of 10.35.

### MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
<b>1 WEEK</b>	-0.19%	-0.02%	+1.51%	-0.31%	-0.79%	+0.15%
<b>1 MONTH</b>	+0.60%	-1.32%	-0.63%	-0.35%	-3.44%	-1.06%
<b>YTD 2023</b>	-0.60%	-1.65%	-0.04%	-0.86%	-3.41%	-1.39%

Prices as at 01/17/2025



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# ANNEXES

DATA AS OF JANUARY 21<sup>ST</sup>, 2025

## APPENDIX 1 : BLOOMBERG FORECASTS OF CURRENCY PAIRS TENORS

		Q1-25	Q2-25	Q3-25	Q4-25	2026	2027	2028
FORECAST FORWARD	USD/JPY 156	153	151	150	148	143	139	132
		154	153	151	150	145	140	135
FORECAST FORWARD	USD/CAD 1.43	1.43	1.43	1.41	1.4	1.38	1.35	1.34
		1.43	1.42	1.42	1.41	1.39	1.38	1.36
FORECAST FORWARD	USD/CHF 0.91	0.91	0.90	0.90	0.90	0.90	0.89	0.89
		0.90	0.89	0.88	0.87	0.84	0.80	0.77
FORECAST FORWARD	GBP/USD 1.23	1.24	1.25	1.26	1.28	1.29	1.32	1.36
		1.23	1.23	1.23	1.23	1.23	1.23	1.23

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

	Date	Q1-2025	Q2-2025	Q3-2025	Q4-2025	2026
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
Wells Fargo	12/04/24	1.02	1	0.99	0.98	--
Kshitij Consultancy Services	01/21/25	1.01	1.04	1.02	1.06	1.11
Canadian Imperial Bank of Commerce	01/20/25	1.02	1.04	1.06	1.07	1.12
Australia & New Zealand Banking Group	01/17/25	1.03	1.02	1.04	1.05	1.1
Woori Bank	01/17/25	1.04	1.06	1.03	1	1.05
Citigroup	01/16/25	1.03	1.04	1.04	1.05	1.06
Danske Bank	01/16/25	1.04	1.02	1.01	1	--
DZ Bank	01/15/25	0.98	0.99	1.01	--	--
iBanFirst	01/15/25	1	0.99	1.05	1.08	1.12
Rabobank	01/15/25	1.03	1.02	1	1	--
Sumitomo Mitsui Trust Bank	01/15/25	1.05	1.07	1.1	1.08	--
AFEX	01/14/25	1.03	0.98	1.03	--	--

In gray, the main brokers selected to compute the EURUSD consensus for Q1-25  
Prices as at 01/21/2025

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