



WEEKLY MAD INSIGHTS

CURRENCIES

18 JULY
2025

Week from 07/07/2025 to 07/11/2025

MAIN WEEKLY VARIATIONS

		+0.32%			-0.38%
USD/MAD		9.0113	CAD/MAD		6.5810
		-0.42%			-0.61%
EUR/MAD		10.5343	GBP/MAD		12.1890
		-1.39%			-0.09%
JPY/MAD		6.1345	CHF/MAD		11.3130

INTERNATIONAL HIGHLIGHTS



	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	+0.46%	-0.28%
Market Effect ⁽²⁾	-0.14%	-0.14%

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

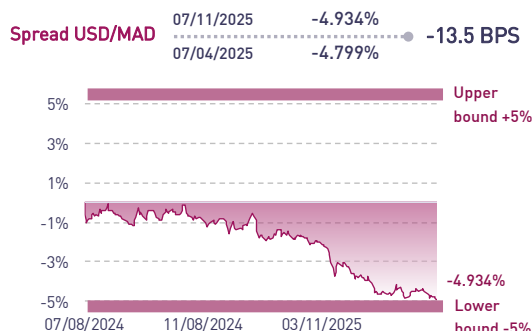
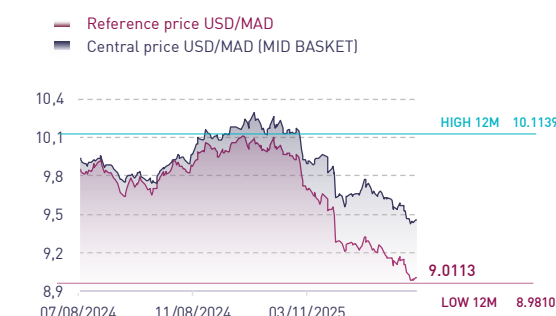
(2) Impact of the variation in the liquidity spread (Supply / Demand)

An intensification of trade tensions

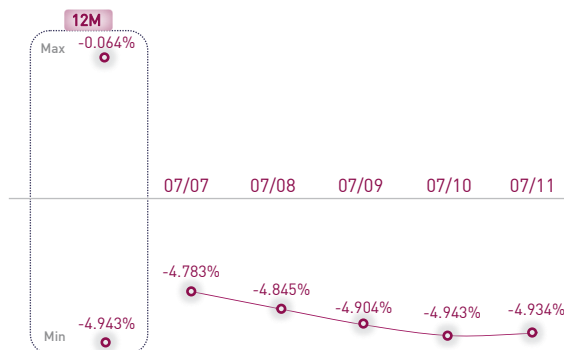
The EUR/USD pair depreciated this week by -0.76%, from 1.1778 to 1.1689, a two-week low.

As the 90-day trade truce expired on July 9th, Trump sent official letters this week to more than 14 countries to impose significantly higher tariffs, starting August 1st. These additional tariffs range from 20% to 50%. This is 30% for EU in addition to the current 50% tariffs on steel and aluminum and the current 25% tariffs on cars from the EU. Trump also announced universal tariffs of 50% on copper, regardless of the country of origin. In the absence of a trade agreement between the United States and the EU, trade tensions weakened the Euro this week.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



Liquidity spreads are close to the floor level

The USD/MAD appreciated by +0.32%, increasing from 8.98 to 9.01 this week.

This weekly variation was driven by a positive *basket effect* in favor of the Dollar. It stood at +0.46% after the Dollar's appreciation against the Euro this week. The *liquidity effect*, meanwhile, was negative at -0.14%.

Liquidity spreads thus eased by -14 BPS to -4.93%, approaching the MAD's lower fluctuation band of -5.00%. These levels remain at their lowest in more than three years, thanks to lower import flows related to the decrease of fuel prices.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.65%	3.00%	6.67%	3.39%	3.94%	4.10%
2 MONTHS	4.60%	3.44%	7.06%	3.56%	3.79%	4.48%
3 MONTHS	6.09%	4.27%	7.10%	4.00%	4.19%	6.22%

Market volatility fueled by trade tensions

At the end of the 90-day pause since the announcement of the new tariffs on "Liberation Day," Trump announced tariffs on imports from several countries starting August 1st. In the absence of trade agreements by this new deadline, these tariffs would be applied.

In this context of uncertainty, significant volatility is expected in the ST market. We recommend traders to hedge their transactions over time horizons from 1 month to 3 months.

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WEEKLY MAD INSIGHTS

CURRENCIES

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Week from 07/07/2025 to 07/11/2025

EUR/USD OUTLOOK – BLOOMBERG

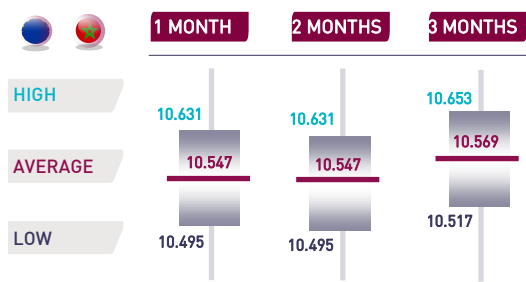
	SPOT	Q3-25	Q4-25	Q1-26	Q2-26	2026	2027	2028	2029
MEDIAN		1.16	1.17	1.18	1.19	1.21	1.20	1.18	--
AVERAGE	1.1689	1.16	1.17	1.18	1.19	1.20	1.19	1.22	--
+HIGH	07/11/2025	1.24	1.23	1.25	1.26	1.28	1.26	1.30	--
+LOW		1.05	1.07	1.10	1.08	1.07	1.13	1.18	--
FORWARD		1.17	1.17	1.18	1.19	1.20	1.21	1.23	1.25

Brokers' EUR/USD forecasts were reviewed upwards on the LT this week. The pair is expected to reach 1.16 in Q3-25 and then 1.17 in Q4-25. It is expected to rise to 1.18 in Q1-26, reaching 1.19 in Q2-26, compared to 1.18 a week earlier. In 2026, it is expected to reach 1.20, compared to 1.19 initially. In 2027, the target level is 1.19, compared to 1.20 the previous week. In 2028, the target is 1.22, unchanged.

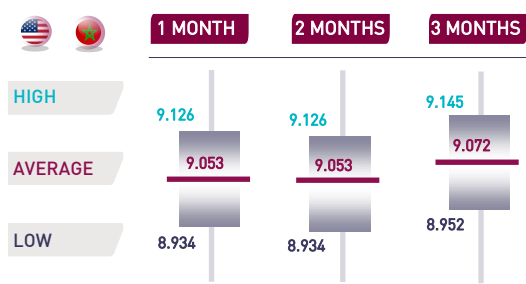
In the United States, inflation stood at 2.4% in May, below expectations of 2.5%. In the face of uncertainties related to the impact of tariffs, the Fed decided to maintain the Fed Funds rate in the range [4.25% - 4.50%] in June. After the July 9th deadline, new tariffs have been announced against a few countries starting August 1th. In the absence of new trade agreements, these tariffs are expected to take effect. In this uncertain environment, markets are anticipating a Fed rate cut of -25 BPS starting in September or October, followed by another rate cut of -25 BPS in December.

In the Eurozone, inflation stood at 2.0% in June, after 1.9% in May. Despite this slight increase, inflation remains in line with the ECB's 2% target. After the decision to cut the deposit facility rate by -25 BPS for the eighth time to 2.00% in June, the ECB is expected to decide a monetary pause in July in the face of uncertainties related to trade tensions. However, a final ECB rate cut in 2025 remains likely.

DOWNWARD REVIEW OF OUR 1 MONTH, 2 MONTHS AND 3 MONTHS HORIZON FORECASTS



Based on the average EUR/USD consensus of major brokers for Q3-25



Based on the average EUR/USD consensus of major brokers for Q3-25

Given the EUR/USD exchange rate forecast and liquidity conditions in the foreign exchange market, we have reviewed our USD/MAD exchange rate forecasts downwards for the 1-month, 2-month, and 3-month horizons.

Brokers' EUR/USD exchange rate forecasts suggest a slight depreciation of the Euro against the Dollar over the 3-month horizon.

MAD liquidity spreads are expected to narrow very slightly relative to spot levels over the 1-month and 2-month horizons, and then narrow slightly again over the 3-month horizon.

Under these conditions, the target levels for the USD/MAD exchange rate are 9.05, 9.05, and 9.07 over the 1-month, 2-month, and 3-month horizons, compared to a spot rate of 9.01.

The target levels for the EUR/MAD exchange rate are 10.55; 10.55 and 10.57 at 1-month, 2-month and 3-month horizons against a spot level of 10.53.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+0.32%	-0.42%	-1.39%	-0.38%	-0.61%	-0.09%
1 MONTH	-1.59%	+0.56%	-2.81%	-1.68%	-1.38%	+1.53%
YTD	-10.88%	+0.15%	-4.97%	-6.40%	-3.89%	+1.18%

Prices as of 07/11/2025



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APPENDICES

DATA AS OF JULY 16TH, 2025

APPENDIX 1 : BLOOMBERG FORECASTS OF CURRENCY PAIRS TENORS

		Q3-25	Q4-25	Q1-26	Q2-26	2026	2027	2028
FORECAST FORWARD	USD/JPY 149	143	140	139	138	135	133	129
		148	146	145	144	142	138	134
FORECAST FORWARD	USD/CAD 1.37	1.37	1.36	1.35	1.34	1.33	1.32	1.33
		1.37	1.36	1.36	1.35	1.35	1.34	1.33
FORECAST FORWARD	USD/CHF 0.80	0.81	0.81	0.81	0.81	0.82	0.81	0.80
		0.79	0.78	0.78	0.77	0.75	0.73	0.71
FORECAST FORWARD	GBP/USD 1.34	1.36	1.37	1.37	1.38	1.40	1.40	1.42
		1.34	1.34	1.34	1.34	1.34	1.34	1.34

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

	Date	Q3-2025	Q4-2025	Q1-2026	Q2-2026	2026
BNP Paribas	07/14/25	1.18	1.2	1.22	1.23	1.25
JPMorgan Chase	07/11/25	1.19	1.2	1.22	1.22	--
Commerzbank	07/09/25	1.15	1.16	1.17	1.18	1.2
Standard Chartered	07/02/25	1.16	1.16	1.15	1.15	1.15
Wells Fargo	06/18/25	1.16	1.17	1.16	--	--
RBC Capital Markets	06/06/25	1.15	1.17	1.19	1.21	1.24
ING Financial Markets	07/15/25	1.15	1.18	1.18	1.18	1.2
DZ Bank	07/14/25	1.16	1.16	1.18	1.2	--
Landesbank Baden-Wuerttemberg	07/14/25	1.12	1.1	1.13	1.15	1.18
ABN Amro	07/11/25	1.15	1.15	1.17	1.2	1.25
Rabobank	07/11/25	1.14	1.17	1.18	1.2	1.21
Monex USA Corp	07/11/25	1.15	1.15	1.16	1.17	--
AFEX	07/10/25	1.18	1.15	1.23	--	--
Ipopema Securities	07/10/25	1.16	1.15	1.13	1.14	1.16
Kshitij Consultancy Services	07/10/25	1.15	1.12	1.14	1.1	1.11
Swedbank	07/10/25	1.18	1.2	1.22	1.22	1.22
Handelsbanken	07/09/25	1.2	1.22	1.22	1.22	1.21

In gray, the main brokers selected to calculate the EURUSD consensus for Q3-25
Forecasts as of 07/16/2025

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