



WEEKLY MAD INSIGHTS

CURRENCIES

23 JULY 2025

Week from 07/14/2025 to 07/18/2025

MAIN WEEKLY VARIATIONS

		+0.37%			+0.16%
USD/MAD		9.0445	CAD/MAD		6.5913
		-0.04%			-0.25%
EUR/MAD		10.5303	GBP/MAD		12.1590
		-0.76%			-0.27%
JPY/MAD		6.0880	CHF/MAD		11.2830

INTERNATIONAL HIGHLIGHTS



	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	+0.25%	-0.16%
Market Effect ⁽²⁾	+0.12%	+0.12%

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

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

Fed rate cut expectations decline

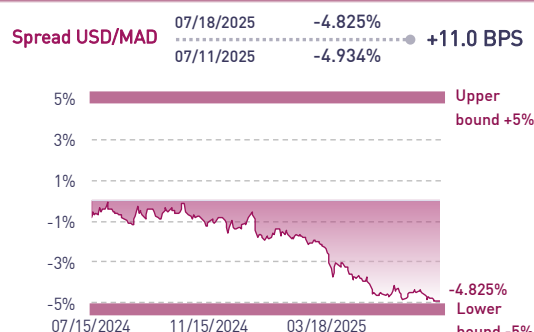
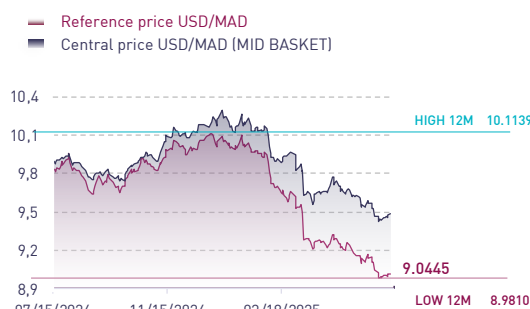
The EUR/USD pair depreciated for the 2nd consecutive week, falling by -0.54% from 1.1689 to 1.1626.

The Dollar's strength is explained by persistent inflation and solid economic data in the United States, which have reduced expectations of a rapid Fed rate cut.

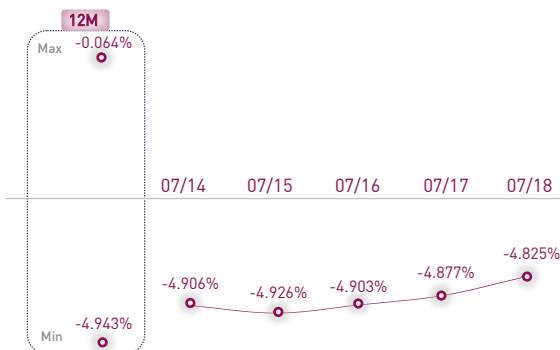
Indeed, the US consumer price index rose to 2.7% in June, after 2.4% in May, and US retail sales rose by +0.6% in June on a monthly basis after a decrease in May. This is explained by the impact of higher tariffs on prices, which is beginning to be felt.

Under these conditions, markets are anticipating 2 Fed Funds rate cuts of -25 BPS each by the end of 2025.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



Liquidity spreads at 3-year lows

The USD/MAD appreciated by +0.37%, from 9.01 to 9.04 this week.

This weekly evolution was driven by a double positive effect in favor of the Dollar. On the one hand, a *basket effect* of +0.25% as the Dollar's appreciated against the Euro this week. On the other, a *liquidity effect* of +0.12% as liquidity conditions for the Dirham have tightened this week.

Liquidity spreads thus narrowed by +11 BPS to -4.82%. Despite this change, these levels remain at their lowest levels in more than three years thanks to lower import flows related to the decrease in fuel price.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	4.29%	2.29%	6.39%	2.74%	4.12%	3.82%
2 MONTHS	4.14%	3.17%	6.31%	3.35%	3.73%	4.17%
3 MONTHS	4.37%	3.68%	7.06%	3.42%	3.78%	5.14%

A volatility fueled by trade tensions

At the end of the 90-day pause since the announcement of the new tariffs, Trump announced tariffs on imports from several countries starting August 1st, which include a 30% rate on the EU. If trade negotiations fail by this new deadline, these tariffs would be applied.

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

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WEEKLY MAD INSIGHTS

CURRENCIES

23 JULY
2025

Week from 07/14/2025 to 07/18/2025

EUR/USD OUTLOOK – BLOOMBERG

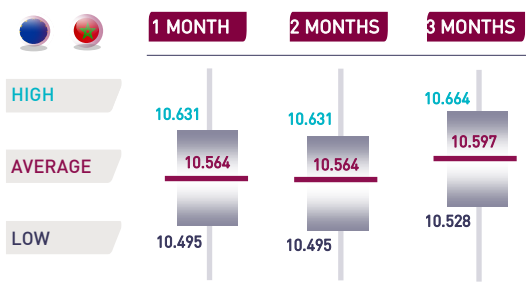
	SPOT	Q3-25	Q4-25	Q1-26	Q2-26	2026	2027	2028	2029
MEDIAN		1.16	1.17	1.18	1.19	1.21	1.20	1.19	1.19
AVERAGE	1.1626	1.17	1.17	1.19	1.19	1.20	1.20	1.21	1.19
+HIGH	07/18/2025	1.24	1.23	1.25	1.26	1.28	1.30	1.30	1.20
+LOW		1.05	1.07	1.10	1.08	1.07	1.13	1.18	1.18
FORWARD		1.17	1.18	1.19	1.19	1.20	1.22	1.24	1.25

Brokers' forecasts for the EUR/USD pair were reviewed upwards this week. The pair is expected to reach 1.17 in Q3-25, up from 1.16 a week earlier. It is expected to stabilize at 1.17 in Q4-25 before rising to 1.19 in Q1-26, up from 1.18 initially. It is expected to remain at 1.19 in Q2-26 before rising to 1.20 in 2026. In 2027, the target level is 1.20, up from 1.19 the previous week. In 2028, the target is 1.21, up from 1.22 initially.

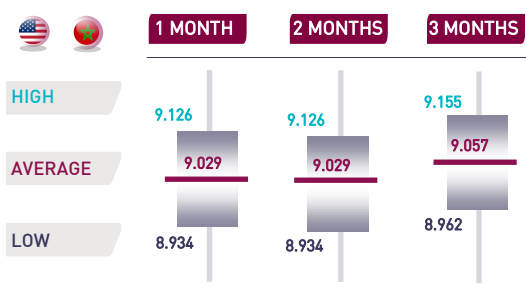
In the United States, inflation stood at 2.7% in June, up from 2.4% in May. In the face of uncertainties surrounding the impact of tariffs, the Fed is expected to maintain Fed Funds rates in the [4.25% - 4.50%] range in July. After the July 9th deadline has expired, new tariffs have been announced for several countries starting August 1st, including a 30% rate on imports from the EU. If trade negotiations fail by August 1st, these tariffs are expected to take effect. In this still uncertain environment, markets are anticipating a cumulative Fed Funds rates cut of -50 BPS by the end of 2025, with an initial rate cut of -25 BPS in September.

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 deciding to cut the deposit facility rate by -25 BPS for the 8th 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. A final ECB rate cut by the end of the year 2025, however, 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 favor an appreciation 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, then narrow slightly again over the 3-month horizon.

Under these conditions, the target levels for the USD/MAD exchange rate are 9.03; 9.03 and 9.06 over the 1-month, 2-month, and 3-month horizons, compared to a spot rate of 9.04.

The target levels for the EUR/MAD exchange rate are 10.56; 10.56 and 10.60 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	+0.37%	-0.04%	-0.76%	+0.16%	-0.25%	-0.27%
1 MONTH	-1.16%	-0.01%	-3.64%	-1.59%	-1.28%	+0.76%
YTD	-10.55%	+0.11%	-5.69%	-6.26%	-4.12%	+0.91%

Prices as of 07/18/2025



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APPENDICES

DATA AS OF JULY 22ND, 2025

APPENDIX 1 : BLOOMBERG FORECASTS OF CURRENCY PAIRS TENORS

		Q3-25	Q4-25	Q1-26	Q2-26	2026	2027	2028
FORECAST FORWARD	USD/JPY 147	143	140	139	138	135	133	129
		146	145	144	142	140	137	133
FORECAST FORWARD	USD/CAD 1.37	1.37	1.36	1.35	1.35	1.33	1.34	1.33
		1.37	1.36	1.35	1.35	1.35	1.34	1.33
FORECAST FORWARD	USD/CHF 0.80	0.81	0.81	0.81	0.81	0.82	0.82	0.81
		0.79	0.78	0.77	0.77	0.75	0.73	0.71
FORECAST FORWARD	GBP/USD 1.35	1.36	1.36	1.37	1.38	1.40	1.40	1.40
		1.35	1.35	1.35	1.35	1.35	1.35	1.34

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

	Date	Q3-2025	Q4-2025	Q1-2026	Q2-2026	2026
Commerzbank	07/18/25	1.18	1.2	1.22	1.24	1.25
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	--
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
Ebury	07/22/25	1.14	1.15	1.16	1.17	1.18
iBanFirst	07/21/25	1.2	1.2	1.25	1.25	1.25
Klarity FX	07/21/25	1.16	1.16	1.18	1.18	--
Rabobank	07/16/25	1.15	1.16	1.18	1.19	1.21
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
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

In gray, the main brokers selected to calculate the EURUSD consensus for Q3-25
Forecasts as of 07/22/2025

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