



WEEKLY MAD INSIGHTS

CURRENCIES

Attijari Global Research

Lamyae Oudghiri
Head of Market Activities
+212 529 03 68 18
l.oudghiri@attijari.ma

Walid Kabbaj
Senior Associate
+212 5 22 49 14 82
w.kabbaj@attijari.ma

Capital Market - Trading

Yassine Rafa
05 22 42 87 72 / 06 47 47 48 23
y.rafa@attijariwafa.com

Amine Elhajli
05 22 42 87 09
a.elhajli@attijariwafa.com

Capital Market - Sales

Loubaba Alaoui Mdaghri
06 47 47 48 34
l.alaouim@attijariwafa.com



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18 DECEMBER
2025

Week from 12/08/2025 to 12/12/2025

MAIN WEEKLY VARIATIONS

		-0.40%			+0.95%
USD/MAD	9.1967		CAD/MAD	6.6834	
		+0.28%			-0.14%
EUR/MAD	10.7890		GBP/MAD	12.3030	
		-0.97%			+0.61%
JPY/MAD	5.8996		CHF/MAD	11.5650	

INTERNATIONAL HIGHLIGHTS



	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	-0.43%	+0.25%
Market Effect ⁽²⁾	+0.03%	+0.03%

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

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

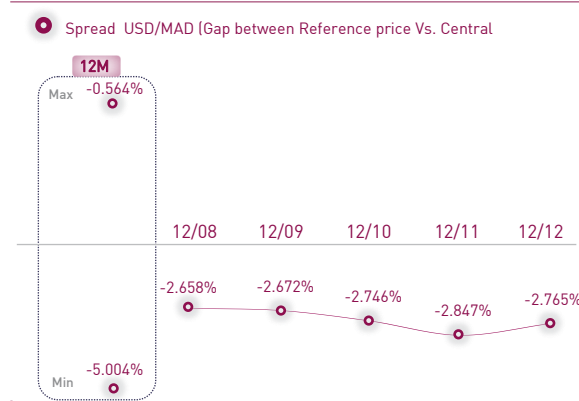
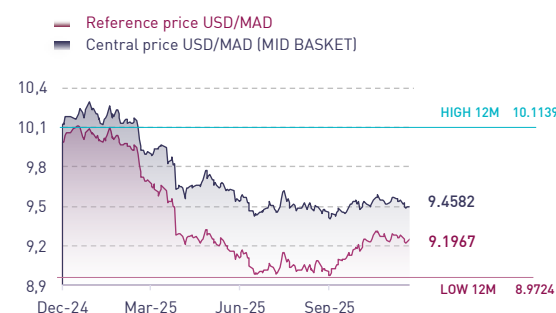
The Fed cuts its rates by -25 BPS in December

The EUR/USD pair appreciated by +0.84% this week, increasing from 1.1642 to 1.1740.

The Fed decided this week to cut interest rates by -25 BPS. Despite persistently high inflation in the United States, this decision was made to address the cooling of the labor market. Indeed, it's worth noting that the Fed operates within a dual mandate, which is based on the double objective of price stability and full employment.

Furthermore, the Fed also indicated this week that it will purchase short-term US Treasury bills to maintain sufficient liquidity.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	3.16%	2.04%	4.95%	5.08%	3.45%	4.53%
2 MONTHS	3.62%	2.24%	6.01%	4.76%	4.06%	4.83%
3 MONTHS	3.58%	2.51%	6.99%	4.13%	3.94%	4.38%

A weakening of the Dollar post-FOMC this week

The USD/MAD pair depreciated by -0.40% this week, decreasing from 9.23 to 9.20.

This variation has been driven by a negative *basket effect* in favor of the Moroccan Dirham. Indeed, this effect stood at -0.43%, reflecting the weakening of the Dollar against the Euro this week. The *liquidity effect*, on the other hand, was positive at +0.03% after a slight tightening of liquidity conditions for the Dirham.

In this context, liquidity spreads increased by +2.6 BPS to -2.76% this week. Note that Bank Al-Maghrib's decision to keep its key rate stable in December 2025 maintains a stable macroeconomic framework for the MAD's exchange rate.

Fed's monetary easing at an uncertain pace

Fed's projections now suggest a single rate cut of -25 BPS in 2026. Note that the scenario of a faster monetary easing in the MT remains contingent on labor market developments and economic data.

Therefore, we recommend investors to hedge their transactions from 1 to 3 months.



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EUR/USD OUTLOOK – BLOOMBERG

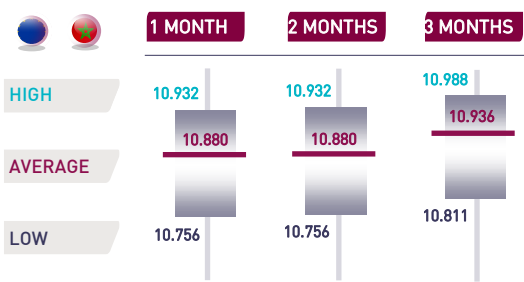
	SPOT	Q1-26	Q2-26	Q3-26	Q4-26	2027	2028	2029	2030
MEDIAN		1.18	1.19	1.20	1.20	1.20	1.21	1.20	1.17
AVERAGE	1.1740	1.18	1.18	1.19	1.19	1.20	1.20	1.20	1.16
+HIGH	12/12/2025	1.24	1.23	1.25	1.25	1.30	1.27	1.30	1.20
+LOW		1.13	1.11	1.10	1.10	1.12	1.12	1.11	1.10
FORWARD		1.18	1.18	1.19	1.19	1.21	1.22	1.23	1.24

Brokers' forecasts for the EUR/USD pair were almost stable this week. The pair is expected to trade at 1.18 in Q1-26 and Q2-26. It is expected to rise to 1.19 in Q3-26 until Q4-26, before reaching 1.20 over the 2027-2029 period.

In the United States, inflation came out at 3.0% in September after 2.9% in August, and the *PCE Core index* stood at 2.8% in September after 2.9% in August. Despite inflation remaining above the 2% target, the Fed decided a -25 BPS rate cut in December to address the weakness of the labor market. The Fed Funds rate stand in the range [3.50% - 3.75%]. It should be noted that markets are currently anticipating a monetary pause at the next FOMC meeting in January 2026 and 1 or 2 rate cuts of -25 BPS each in 2026, according to the CME's FedWatch tool.

In the Eurozone, inflation rebounded slightly to 2.2% in November after 2.1% in October. Inflation remains close to the ECB's target of 2%. After a year of monetary easing, the ECB decided a monetary pause in July after the progress made on controlling inflation. In the ST and MT, the ECB's monetary policy is expected to remain neutral, while the Fed's monetary policy is expected to become more accommodative. The narrowing of the divergence of interest rates between the US and the Eurozone explains the bullish forecasts for EUR/USD in the ST and MT compared to the spot level.

DOWNWARD REVIEW OF OUR 2 MONTHS AND 3 MONTHS HORIZON FORECASTS



Based on the average EUR/USD consensus of major brokers for Q1-26



Based on the average EUR/USD consensus of major brokers for Q1-26

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

Brokers' EUR/USD exchange rate forecasts indicate a slight appreciation of the Euro against the Dollar over the 3-month horizon, compared to spot levels.

Dirham liquidity spreads are expected to gradually tighten over the 1-month, 2-month, and 3-month horizons compared to spot levels.

Under these conditions, the target levels for the USD/MAD exchange rate are 9.26, 9.26, and 9.31 over the 1-month, 2-month, and 3-month horizons, respectively, compared to a spot rate of 9.20.

The target levels for the EUR/MAD exchange rate are 10.88, 10.88 and 10.94 over 1 month, 2 months and 3 months against a spot level of 10.79.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.40%	+0.28%	-0.97%	+0.95%	-0.14%	+0.61%
1 MONTH	-0.96%	+0.36%	-1.63%	+0.84%	+0.91%	-0.40%
YTD	-9.05%	+2.57%	-8.61%	-4.95%	-2.99%	+3.43%

Prices as of 12/12/2025



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APPENDICES

DATA AS OF DECEMBER 15TH, 2025

APPENDIX 1 : BLOOMBERG FORECASTS OF CURRENCY PAIRS TENORS

		Q1-26	Q2-26	Q3-26	Q4-26	2027	2028	2029
FORECAST FORWARD	USD/JPY 156	152	149	147	146	140	138	135
		155	153	152	151	148	145	141
FORECAST FORWARD	USD/CAD 1.38	1.38	1.38	1.37	1.35	1.32	1.33	1.33
		1.37	1.37	1.36	1.36	1.35	1.35	1.34
FORECAST FORWARD	USD/CHF 0.80	0.80	0.79	0.79	0.79	0.81	0.82	0.82
		0.79	0.78	0.77	0.77	0.74	0.72	0.70
FORECAST FORWARD	GBP/USD 1.34	1.34	1.35	1.36	1.36	1.36	1.36	1.35
		1.34	1.33	1.33	1.33	1.33	1.33	1.32

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

	Date	Q1-2026	Q2-2026	Q3-2026	Q4-2026	2027
BNP Paribas	12/04/25	1.17	1.18	1.19	1.2	1.22
JPMorgan Chase	11/25/25	1.18	1.2	1.2	1.2	--
Wells Fargo	11/19/25	1.18	1.19	1.18	1.17	--
RBC Capital Markets	11/17/25	1.19	1.21	1.22	1.24	--
Standard Chartered	11/17/25	1.14	1.13	1.12	1.12	1.12
Commerzbank	11/07/25	1.19	1.2	1.22	1.22	1.2
Maybank Singapore	12/11/25	1.17	1.18	1.19	1.17	1.2
Landesbank Baden-Wuerttemberg	12/10/25	1.18	1.2	1.21	1.22	1.25
AFEX	12/09/25	1.16	1.2	1.23	--	--
CICC	12/09/25	1.18	1.2	1.2	1.21	--
iBanFirst	12/09/25	1.15	1.13	1.18	1.2	1.25
Rabobank	12/09/25	1.16	1.17	1.17	1.21	1.2
ING Financial Markets	12/08/25	1.19	1.2	1.21	1.22	1.25
United Overseas Bank	12/08/25	1.17	1.18	1.19	1.2	1.24
Finansia Syrus Securities	12/04/25	1.2	1.23	1.18	1.2	1.3
Ipopema Securities	12/04/25	1.18	1.17	1.16	1.15	1.13
NAB/BNZ	12/04/25	1.2	1.21	1.23	1.22	1.2

In gray, the main brokers selected to calculate the EURUSD consensus for Q1-26
Forecasts as of 12/15/2025

ATTIJARI GLOBAL RESEARCH

HEAD OF STRATEGY Taha Jaidi +212 5 29 03 68 23 t.jaidi@attijari.ma Casablanca	HEAD OF ECONOMY Abdelaziz Lahlou +212 5 29 03 68 37 ab.lahlou@attijari.ma Casablanca	HEAD OF MARKET ACTIVITIES Lamyae Oudghiri +212 5 29 03 68 18 Loudghiri@attijari.ma Casablanca	SENIOR MANAGER Maria Iraqi +212 5 29 03 68 01 m.iraqi@attijari.ma Casablanca
SENIOR ASSOCIATE Mahat Zerhouni +212 5 29 03 68 16 m.zerhouni@attijari.ma Casablanca	SENIOR ASSOCIATE Meryeme Hadi +212 5 22 49 14 82 m.hadi@attijari.ma Casablanca	SENIOR ASSOCIATE Walid Kabbaj +212 5 22 49 14 82 w.kabbaj@attijari.ma Casablanca	INVESTOR RELATIONS ANALYST Nisrine Jamali +212 5 22 49 14 82 n.jamali@attijari.ma Casablanca
FINANCIAL ANALYST Anass Drif +212 5 22 49 14 82 a.drif@attijari.ma Casablanca	SENIOR ANALYST Inès Khouaja +216 31 34 13 10 khouaja.ines@attijaribourse.com.tn Tunis	FINANCIAL ANALYST Ulдерic Djadjo +237 681 77 89 40 u.djadjo@attijarisecurities.com Douala	

Equity

BROKERAGE - MOROCCO

Abdellah Alaoui +212 5 29 03 68 27 a.alaoui@attijari.ma	Rachid Zakaria +212 5 29 03 68 48 r.zakaria@attijari.ma	Anis Hares +212 5 29 03 68 34 a.hares@attijari.ma	Alae Yahya +212 5 29 03 68 15 a.yahya@attijari.ma	Sofia Mohcine +212 5 29 03 68 21 s.mohcine@attijari.ma	Mehdi Benckekroun +212 5 29 03 68 14 m.benckekroun@attijari.ma
---	---	---	---	--	--

AI5 - MOROCCO

Tarik Loudiyi +212 5 22 54 42 98 t.loudiyi@attijariwafa.com

WAEMU - CÔTE D'IVOIRE

Mohamed Lemridi +225 20 21 98 26 mohamed.lemridi@sib.ci

BROKERAGE - TUNISIA

Hichem Ben Romdhane +225 29 318 965 h.benrhondane@attijaribank.com.tns
--

CEMAC - CAMEROUN

Ernest Pouhe +237 651 23 51 15 e.pouhe@attijarisecurities.com

Bonds /Forex /Commodities

MOROCCO

Mohammed Hassoun Filali +212 5 22 42 87 24 m.hassounfilali@attijariwafa.com	Amine Elhajli +212 5 22 42 87 09 m.elhajli@attijariwafa.com	Loubaba Alaoui Mdaghri +212 6 47 47 48 34 l.alaouim@attijariwafa.com	Dalal Tahoune +212 5 22 42 87 07 d.tahoune@attijariwafa.com
---	---	--	---

EUROPE

Youssef Hansali +33 1 81 69 79 45 y.hansali@attijariwafa.net
--

EGYPT

Ahmed Darwish +20 127 755 90 13 ahmed.darwish@attijariwafa.com.eg

TUNISIA

Mehdi Belhabib +216 71 80 29 22 mehdi.belhabib@attijaribank.com.tn
--

MIDDLE EAST - DUBAÏ

Sherif Reda +971 50 560 8865 sreda@attijari-me.com
--

WAEMU - CÔTE D'IVOIRE

Abid Halim +225 20 20 01 55 abid.halim@sib.ci

CEMAC - GABON

Atef Gabsi (Gabon) +241 60 18 60 02 atef.gabsi@ugb-banque.com
Elvira Nomo (Cameroun) +237 67 27 34 367 e.nomo@attijarisecurities.com

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