



WEEKLY MAD INSIGHTS

CURRENCIES

31 | DECEMBER
2025

Week from 12/22/2025 au 12/26/2025

MAIN WEEKLY VARIATIONS

		-0.56%			+0.29%
USD/MAD	9.1148		CAD/MAD	6.6651	
		+0.08%			+0.41%
EUR/MAD	10.7452		GBP/MAD	12.3120	
		+0.11%			+0.44%
JPY/MAD	5.8435		CHF/MAD	11.5760	

INTERNATIONAL HIGHLIGHTS



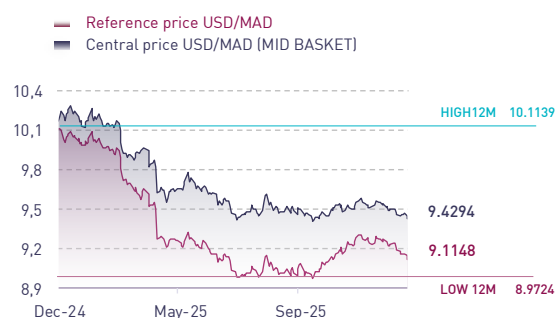
The Euro is gaining ground against the Dollar

The EUR/USD pair appreciated by +0.53% to settle at 1.1772 this week.

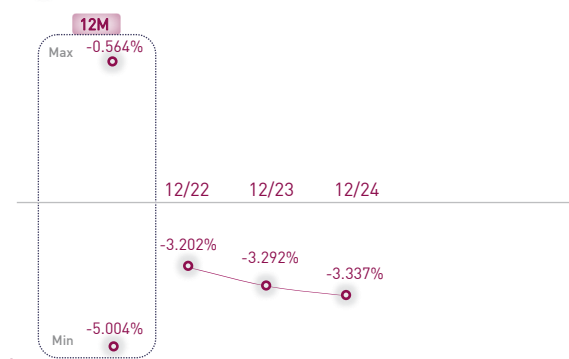
This evolution is attributed to expectations of Fed's continued monetary easing in 2026. The ECB, meanwhile, is expected to maintain a stable monetary policy in 2026, bolstered by a favorable economic outlook and controlled inflation.

Note that despite the release of solid US economic data, i.e an economic growth during Q3 of 4.3% above the consensus forecast of 3.3%, the Dollar failed to reverse its downward trend against the Euro this week.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



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



Weakening of the Dollar internationally

The USD/MAD pair depreciated by -0.56% this week, decreasing from 9.17 to 9.11.

This evolution was driven by a double negative effect in favor of the Dirham. Firstly, a *basket effect* of -0.40% related to the depreciation of the Dollar against the Euro this week. Secondly, a *liquidity effect* of -0.16% that resulted from an easing of liquidity conditions of the Dirham.

In this context, liquidity spreads improved by -16 BPS to -3.34% this week. Note that Bank Al-Maghrib's decision to maintain its key rate stable in December 2025 supports a stable macroeconomic framework for the MAD's exchange rate.

VOLATILITY INDICATORS

	USDMAD	EURMAD	JPYMAD	CADMAD	GBPMAD	CHFMAD
1 MONTH	2.52%	1.92%	5.17%	4.47%	3.70%	3.34%
2 MONTHS	3.03%	1.99%	5.69%	4.53%	3.89%	3.99%
3 MONTHS	3.54%	2.52%	7.12%	4.19%	3.97%	4.33%

Uncertainty surrounding Fed's next decisions

Expectations of Fed rate cuts in 2026 are weighing on the Dollar, while the Euro is benefiting from a stable environment supported by positive signals from ECB President Christine Lagarde regarding European monetary policy.

In this uncertain context, we recommend traders to hedge their transactions from 1 to 3 months.

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EUR/USD OUTLOOK – BLOOMBERG

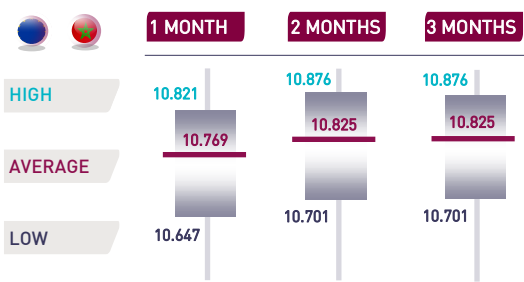
	SPOT	Q1-26	Q2-26	Q3-26	Q4-26	2027	2028	2029	2030
MEDIAN		1.18	1.19	1.20	1.20	1.20	1.24	1.24	1.20
AVERAGE	1.1772	1.18	1.18	1.19	1.19	1.20	1.22	1.23	1.18
+HIGH	12/26/2025	1.22	1.23	1.25	1.25	1.30	1.27	1.30	1.20
+LOW		1.14	1.12	1.09	1.07	1.03	1.12	1.11	1.10
FORWARD		1.18	1.19	1.19	1.19	1.21	1.22	1.23	1.24

Brokers' forecasts for the EUR/USD pair have globally been reviewed upwards for the LT this week. The pair is expected to trade at 1.18 in Q1 2026 and then at 1.19 in Q2 2026, compared to 1.18 the previous week. It is expected to stabilize at this level until Q4 2026. In 2027, it is projected to rise to 1.20, compared to the initial forecast of 1.19. For the 2028-2029 period, the target is between 1.22 and 1.23, compared to 1.21 the previous week.

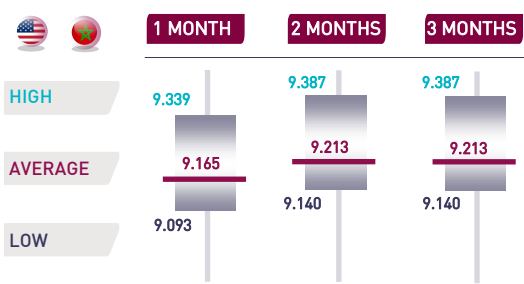
In the United States, inflation fell faster than expected to 2.7% in November after 3.0% in September. Despite inflation still standing above the 2% target, the Fed decided a -25 BPS rate cut in December to address the weakness of the labor market. The Fed Fund rates now stand in the range between 3.50% & 3.75%. Note that markets are currently anticipating a monetary pause at the next FOMC meeting in January 2026 and one or two rate cuts of -25 BPS each in 2026, according to the CME FedWatch tool.

In the Eurozone, inflation came out stable at 2.1% in November, according to the latest Eurostat figures. Inflation remains close to the ECB's target of 2%. After one year of monetary easing, the ECB decided a monetary pause in July 2025 after the progress made on inflation. In the ST and MT, the ECB's monetary policy is expected to remain neutral, while the Fed is expected to continue its accommodative course. The narrowing of the interest rate divergence between the United States and the Eurozone would explain the upward pressure on the EUR/USD exchange rate in the ST and MT compared to the spot level.

DOWNWARD REVISION OF OUR 1 MONTH, 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 1, 2, and 3-month horizons.

Brokers' EUR/USD exchange rate forecasts indicate a slight depreciation of the Euro against the Dollar over the next 3 months, compared to spot levels.

Dirham liquidity spreads are expected to gradually tighten over the next 1, 2, and 3 months compared to spot levels.

Under these conditions, the target levels for the USD/MAD exchange rate are 9.17, 9.21, and 9.21 for the 1, 2, and 3-month horizons, respectively, against a spot rate of 9.11.

The target levels for the EUR/MAD exchange rate are 10.77, 10.82 and 10.82 over 1 month, 2 months and 3 months against a spot level of 10.75.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	-0.56%	+0.08%	+0.11%	+0.29%	+0.41%	+0.44%
1 MONTH	-1.75%	+0.41%	-1.23%	+1.35%	+1.32%	+0.77%
YTD	-9.86%	+2.15%	-9.48%	-5.21%	-2.92%	+3.53%

Prices as of 12/24/2025



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APPENDICES

DATA AS OF DECEMBER 29TH, 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	150	148	148	143	139	135
		155	154	153	152	149	146	143
FORECAST FORWARD	USD/CAD 1.37	1.38	1.38	1.37	1.35	1.34	1.34	1.33
		1.36	1.36	1.35	1.35	1.34	1.33	1.33
FORECAST FORWARD	USD/CHF 0.79	0.80	0.79	0.79	0.79	0.80	0.80	0.84
		0.78	0.77	0.77	0.76	0.74	0.71	0.69
FORECAST FORWARD	GBP/USD 1.35	1.34	1.35	1.36	1.36	1.36	1.38	1.37
		1.35	1.35	1.35	1.35	1.34	1.34	1.34

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
Mizuho Bank	12/29/25	1.18	1.19	1.18	1.17	--
OCBC Bank	12/24/25	1.19	1.2	1.21	1.21	1.23
Prestige Economics LLC	12/22/25	1.19	1.2	1.2	1.19	--
Banco Bilbao Vizcaya Argentaria	12/19/25	1.18	1.2	1.2	1.18	1.21
XTB	12/17/25	1.18	1.19	1.2	1.19	1.21
Commonwealth Bank of Australia	12/16/25	1.15	1.12	1.09	1.07	1.03
Nomura Bank International	12/16/25	1.15	1.18	1.2	1.2	1.2
Banco Santander	12/16/25	1.14	1.13	1.12	1.12	--
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	--	--

In gray, the main brokers selected to calculate the EURUSD consensus for Q1-26
Forecasts as of 12/29/2025

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