



WEEKLY MAD INSIGHTS

CURRENCIES

26 APRIL
2024

Week from 04/15/2024 to 04/19/2024

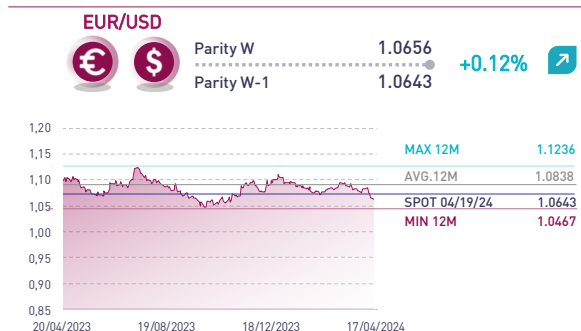
MAIN WEEKLY VARIATIONS

		+1.23%			-0.17%
USD/MAD		10.1429	CAD/MAD		7.3725
		-0.75%			-0.65%
EUR/MAD		10.8078	GBP/MAD		12.6250
		-0.53%			+0.63%
JPY/MAD		6.5660	CHF/MAD		11.1650

	USD/MAD	EUR/MAD
Basket Effect ⁽¹⁾	+1.20%	-0.78%
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)

INTERNATIONAL HIGHLIGHTS



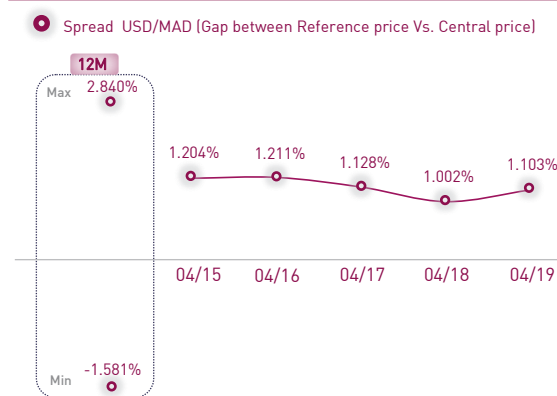
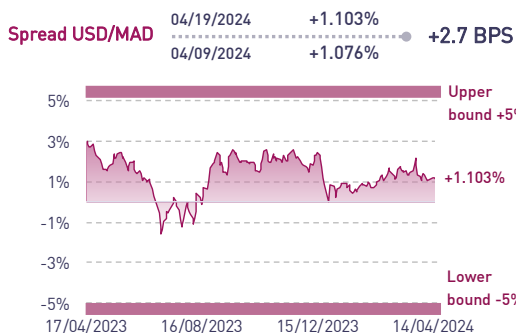
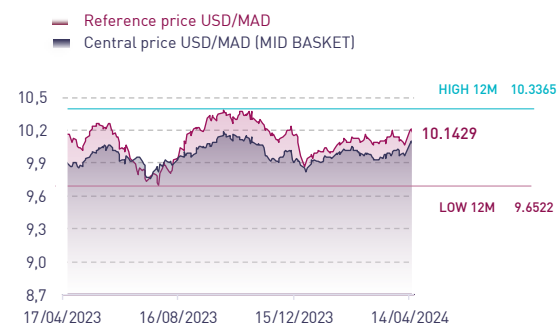
The Dollar remains at high levels

The EUR/USD rose slightly this week by +0.12% to 1.0656, but remains at more than 5 months lows.

The ZEW index of economic sentiment in the Euro Zone stood at 43.9 in April compared to 33.5 in March and a consensus of 37.2, which supported the Euro against the Dollar this week.

On the American side, still high inflation has significantly reduced Fed rate cut expectations by June, which has kept the Dollar at high levels. The return of risk aversion in a context of escalating tensions in the Middle East also benefited the Dollar as a safe haven.

MAD EVOLUTION AND FOREIGN EXCHANGE MARKET LIQUIDITY INDICATORS



A significant basket effect in favor of the Dollar

The Dollar appreciated against the Dirham this week to 10.14 against 10.02, i.e. a variation of +1.23%. We recall that the previous week's quote for this exchange rate dates from Tuesday.

This development is mainly explained by a positive *basket effect* of +1.20% related to the strengthening of the Dollar internationally, combined with a positive *liquidity effect* of +0.03% in favor of the Dollar.

Liquidity spreads tighten slightly by +3 BPS this week, to a level of 1.10%. This is due to import flows slightly more dominant than export flows this week.

VOLATILITY INDICATORS

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 MONTH	6.08%	4.95%	5.45%	3.65%	4.98%	4.89%
2 MONTHS	4.79%	4.14%	5.93%	3.85%	4.42%	4.80%
3 MONTHS	4.33%	3.75%	5.88%	4.11%	4.30%	4.98%

Economic and geopolitical uncertainties

Control of inflation in the United States remains uncertain and tensions in the Middle East are fueling risk aversion and currency markets volatility. This particularly concerns the Dollar which benefits from its safe haven status.

We recommend importers to hedge their operations in Dollars over 3-month horizons.

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EUR/USD OUTLOOK – BLOOMBERG

	SPOT	Q2-24	Q3-24	Q4-24	Q1-25	2025	2026	2027	2028
MEDIAN		1.07	1.08	1.09	1.10	1.12	1.13	1.14	1.15
AVERAGE	1.0656	1.08	1.08	1.09	1.10	1.12	1.12	1.14	1.15
+HIGH	04/19/2024	1.13	1.14	1.15	1.18	1.24	1.20	1.20	1.20
+LOW		1.04	1.01	1.00	1.03	1.01	1.05	1.10	1.12
FORWARD		1.07	1.07	1.08	1.09	1.10	1.12	1.14	1.16

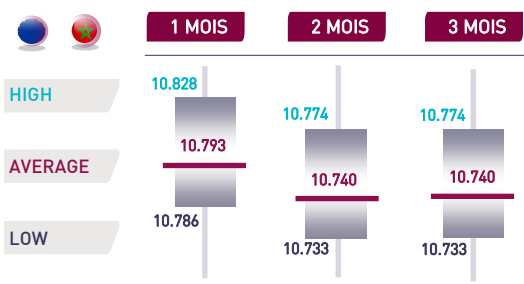
Broker forecasts for the EUR/USD pair were reviewed downwards this week. The pair would move to 1.08 in Q2-24. In Q3-24, it would remain stable at 1.08 compared to 1.09 the previous week. It would increase to 1.09 in Q4-24 then to 1.10 in Q1-25 compared to 1.10 and 1.11 initially. On an annual basis, the target is 1.12 in 2025 compared to 1.13 previously. On the LT, the pair would stand at 1.12 in 2026. In 2027 and 2028, it would settle at 1.14 and 1.15 respectively.

American inflation rebounded to 3.5% in March after 3.2% in February. Inflation still remains high in the United States, which has significantly reduced market expectations relating to interest rates cuts. A Fed monetary pause currently seems the most likely scenario in June.

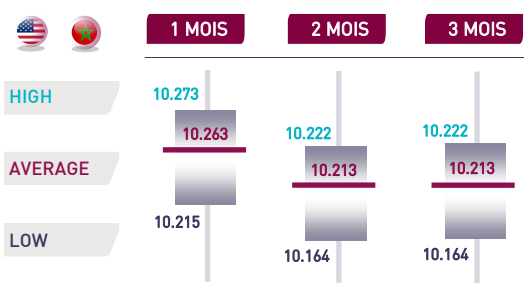
In the Euro Zone, inflation fell to 2.4% in March after 2.6% in February. Financial markets anticipate a first cut in ECB rates from June, supported by the visible easing of inflationary pressures in the Euro Zone.

On the ST, the ECB could start to reduce its rates before the Fed, which would explain the drop in EUR/USD forecasts but on the MLT, the reduction in the rate divergence between the Fed and the ECB should benefit the Euro.

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



Based on EUR/USD Bloomberg forecast for Q2-24



Based on EUR/USD Bloomberg forecast for Q2-24

Taking into account the forecasts for the EUR/USD pair and the liquidity conditions on the foreign exchange market, we have reviewed upwards our forecasts for the USD/MAD pair.

Brokers' EUR/USD forecasts are in favor of an appreciation of the Dollar over the next 3 months compared to spot levels.

MAD liquidity spreads should tighten slightly over a 1-month horizon then ease over a 2-month and 3-month horizon compared to spot levels at the start of the summer period.

Under these conditions, the target levels of the USD/MAD parity stand at 10.26, 10.21 and 10.21 over horizons of 1, 2 and 3 months against a spot price of 10.14.

The target levels of the EUR/MAD parity stand at 10.79, 10.74 and 10.74 over 1, 2 and 3 month horizons against a spot price of 10.81.

MAD YTD PERFORMANCE DASHBOARD IN FRONT OF A REFERENCE BASKET

	USD/MAD	EUR/MAD	JPY/MAD	CAD/MAD	GBP/MAD	CHF/MAD
1 WEEK	+1.23%	-0.75%	-0.53%	-0.17%	-0.65%	+0.63%
1 MONTH	+0.87%	-0.90%	-1.73%	-0.49%	-1.03%	-1.40%
YTD 2023	+2.53%	-1.25%	-5.93%	-1.22%	+0.29%	-5.41%

Prices as of 04/19/2024



APPENDICES

DATA AS OF APRIL 22ND, 2024

ANNEXE 1 : PRÉVISIONS BLOOMBERG DES PARITÉS DEVISES TENOR

		Q2-24	Q3-24	Q4-24	Q1-25	2025	2026	2027
FORECAST	USD/JPY	149	145	144	141	135	130	126
FORWARD	155	153	151	149	147	142	136	131
FORECAST	USD/CAD	1.36	1.34	1.34	1.34	1.29	1.29	1.29
FORWARD	1.37	1.37	1.37	1.37	1.36	1.36	1.35	1.34
FORECAST	USD/CHF	0.91	0.91	0.91	0.90	0.91	0.90	0.92
FORWARD	0.91	0.90	0.89	0.88	0.87	0.85	0.82	0.80
FORECAST	GBP/USD	1.26	1.26	1.27	1.28	1.30	1.30	1.32
FORWARD	1.24	1.24	1.25	1.25	1.25	1.25	1.26	1.26

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

	Date	Q2-2024	Q3-2024	Q4-2024	Q1-2025	2025
BNP Paribas	04/22/24	1.05	1.05	1.06	1.07	1.1
Commerzbank	04/19/24	1.05	1.04	1.04	1.04	1.05
Wells Fargo	04/19/24	1.05	1.04	1.05	1.06	--
JPMorgan Chase	04/12/24	1.05	1.05	1.09	1.12	--
RBC Capital Markets	03/08/24	1.06	1.06	1.08	1.1	1.18
Standard Chartered	12/13/23	1.05	1.07	1.09	--	1.11
Rabobank	04/19/24	1.06	1.06	1.07	1.09	1.2
UniCredit	04/19/24	1.07	1.08	1.09	1.1	1.12
AFEX	04/18/24	1.05	1.03	1	--	--
Jyske Bank	04/18/24	1.06	1.05	1.07	1.08	--
NAB/BNZ	04/18/24	1.07	1.09	1.11	1.13	1.17
Oversea-Chinese Banking Corp	04/18/24	1.07	1.08	1.09	1.09	1.11
Societe Generale	04/18/24	1.04	1.07	1.05	1.09	--
Nomura Bank International	04/17/24	1.06	1.07	1.07	1.1	1.11
Danske Bank	04/16/24	1.06	1.05	1.04	1.03	--
Landesbank Baden-Wuerttemberg	04/12/24	1.06	1.06	1.05	1.04	1.01
Sumitomo Mitsui Trust Bank	04/12/24	1.08	1.09	1.09	1.1	--

In gray, the main brokers retained to calculate the EURUSD consensus for Q2-24
Prices as of 04/22/2024

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