



PRESS RELEASE

LAUNCH OF THE INTERBANK DERIVATIVES MARKET

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Bank Al-Maghrib announces the launch, on February 19, 2025, of the interbank derivatives market for foreign exchange swaps and MONIA (Moroccan Overnight Index Average) overnight index swaps (OIS).

This measure is a continuation of Bank Al-Maghrib's efforts, initiated in 2018, to further deepen the foreign exchange market.

A foreign exchange swap is a transaction in which two parties agree to exchange specific amounts of two different currencies at two different times. It combines a *spot* foreign exchange transaction with a *forward* foreign exchange transaction. This instrument enables market players to effectively manage their exposure to exchange rate risk, while benefiting from greater flexibility and cost predictability.

On the other hand, the MONIA OIS is a transaction in which two parties agree to exchange, based on an agreed notional amount and period, a fixed interest rate determined at the time of the transaction for a floating interest rate indexed to MONIA. This instrument is primarily used by financial market players to hedge against short-term interest rate fluctuations. It also helps derive market expectations regarding the future direction of short-term interest rates.

The introduction of the interbank derivatives market will provide economic operators with a transparent and reliable reference for hedging against interest-rate and exchange-rate risks. Moreover, it will give new impetus to the development of derivatives market in Morocco.

This market has been established thanks to the active contribution of banks having market-maker status and the European Bank for Reconstruction and Development (EBRD).

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