

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar began trading at 102.10, marking a slight rise. This upward movement is due by traders awaiting for more direction in the USD ahead of key labour market reports to be released this week.
- > The EUR/USD pair is currently trading around the 1.0960 range. A possibility of rate cuts from the European Central Bank to lift the economy is also influencing the currency pair.
- > GBP/USD rebounds today to trade higher near the 1.2630 range during the early Asian session today.
- > The JPY crawled back losses as investors evaluate the impact of a powerful New Year's Day earthquake in Japan, while the expectation of a reversal in policy deviation between the Bank of Japan and the Federal Reserve in 2024 supports the currency.
- > The ZAR edged down due to no major domestic economic data releases due till tomorrow, and the rand is expected to take its signals from offshore drivers, namely US economic data that could shed more light on the trajectory for US interest rates.
- > AUD/USD fell on the first official trading day of 2024 with broader markets tipping back into the US Dollar though Aussie losses were limited by a better-than-expected print in China's Caixin Manufacturing PMI in December.
- > The Canadian dollar weakened on softer PMI data. Canadian Manufacturing PMI printed a multi-year low of 45.4 in December, declining from November's 47.7.
- > The USD/MUR starts 2024 at MUR 44.65/USD on the offer while the EUR/MUR and GBP/MUR are offered at MUR 49.40/EUR and MUR 56.96/GBP this morning.

### Daily Technical View

EURUSD edges lower to trade around 1.0961 amid a firm USD. An increased possibility of rate cuts from the European Central Bank to boost the economy while the Fed may hold the rate for a little longer exert some selling pressure on the Euro. 1.0935 could act as a support while on the upside, the pair could face some resistance at 1.1000.

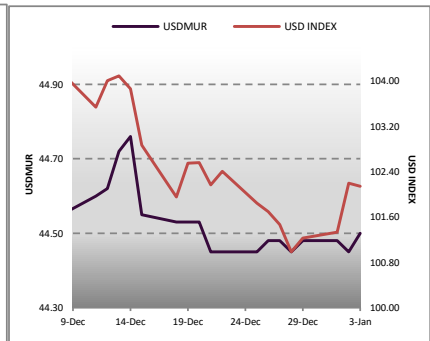
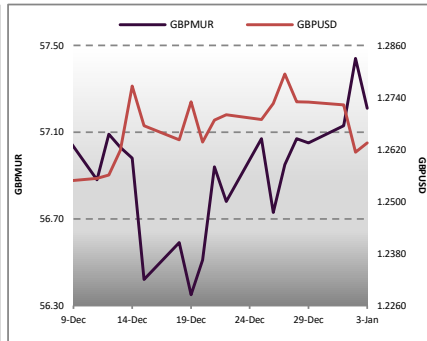
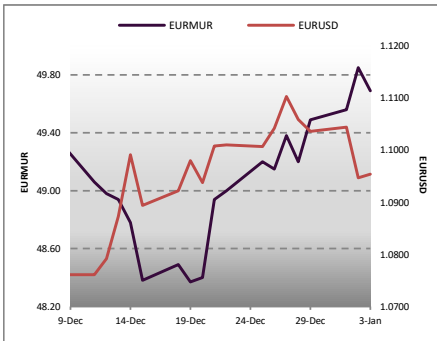
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.60	(0.20)	31.05	(0.21)
CNYMUR	6.11	(0.02)	6.42	(0.02)
EURMUR	47.96	(0.28)	49.40	(0.29)
JPYMUR	30.67	-	32.30	-
ZARMUR	2.35	0.01	2.50	0.0
USDMUR	43.75	0.15	44.65	0.15
GBPMUR	55.30	(0.24)	56.96	(0.25)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.55	29.45	29.30	31.04	31.00	31.02
EURMUR	47.88	47.71	47.44	49.39	49.37	49.38
ZARMUR	2.33	2.30	2.24	2.50	2.49	2.48
USDMUR	43.64	43.40	43.01	44.58	44.47	44.32
GBPMUR	55.17	54.90	54.46	56.88	56.74	56.54



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6763	0.6770	0.6752	0.6767
EURUSD	1.0942	1.0962	1.0940	1.0956
GBPUSD	1.2617	1.2641	1.2617	1.2639
USDJPY	141.98	142.17	141.87	142.07
USDCHF	0.8497	0.8508	0.8490	0.8502
USDCNH	7.15	7.16	7.14	7.15

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	37,689.54	0.07
S&P 500	4,781.58	0.14
FTSE 100	7,721.52	(0.15)
DAX	16,769.36	(0.24)
CAC 40	7,530.86	(0.48)
Nikkei 225	33,539.62	(0.42)
HANGSENG	16,788.55	2.51

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
3-Jan	19 00	US	ISM Manufacturing PMI	Dec	-	47.1%	46.7%
3-Jan	23 00	US	FOMC Minutes	-	-	-	-
4-Jan	17 00	EU	Consumer Price Index	Dec	-	3.8%	3.2%

This commentary is for information only, and the comments and forecasts are intended to be of a general nature, and are current at the date of issue. This document is not intended as an offer, solicitation, or recommendation to buy or sell financial instruments or for any individual investment.

Source: MCB Treasury, Reuters, Bloomberg, Bank of Mauritius

**FIXED INCOME**

**News**

- > US Treasury yields popped to two-week highs on Tuesday on the first trading day of the New Year as traders lowered expectations for rate cuts in 2024.
- > The yield on 10-year Treasury notes was up 8.3 basis points at 3.943%, roughly 15 basis points above its six-month low hit in December. The yield on the 30-year Treasury bond was up 6.5 basis points at 4.083%.
- > The two-year Treasury yield, which typically moves in step with interest rate expectations, was up 8.5 basis points at 4.335%.
- > Investors will monitor economic figures this week, including jobs data on Friday that may influence whether the Fed begins to cut rates in March as markets expect. The minutes from the Central Bank's December policy meeting will be released Wednesday.

**Market Highlights**

Local Secondary Market T-Bills		
	Bid (%)	Offer (%)
1M	3.25	3.10
2M	3.30	3.15
3M	3.35	3.20
4M	3.60	3.45
6M	3.90	3.75
8M	3.95	3.80
10M	4.00	3.85
1Y	4.05	3.90

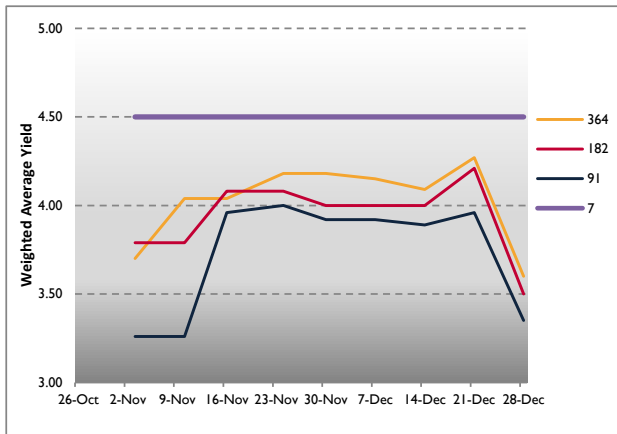
Local Secondary Market T-Bonds		
	Bid (%)	Offer (%)
2 year	4.40	4.20
3 year	4.75	4.55
4 Year	4.75	4.55
5 Year	4.80	4.55
10 Year	4.95	4.70
15 year	5.40	5.15
20 Year	5.80	5.55

Key Central Bank Rates		
	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	5.50	5.50
BoE Bank Rate	5.25	5.00
ECB Ref. Rate	4.50	4.50
RBA Cash Rate	4.35	4.35

Government Benchmark Yields (%)		
	2 Year	5 Year
US Bonds	4.3242	#N/A
UK Bonds	4.057	3.533
German Bonds	2.461	1.998

[Click here to access our Mauritian Bond Market page.](#)

**Auction Results of Treasury Bills**



**Money Market Rates**

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.463	5.589	5.581
EURIBOR	3.900	3.845	3.909	3.861
SONIA	-	5.200	5.204	5.130

\* rates delayed by 48 hours. Source: ICE & Refinitiv

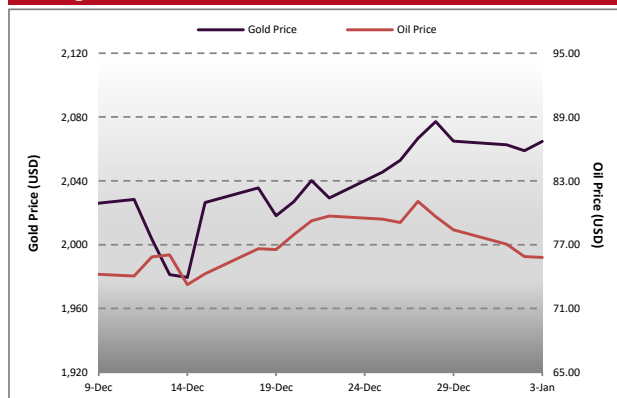
**Indicative Generic Swap Rates\* (%)**

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.771	2.397	2.413	2.498
USD OIS	4.078	3.539	3.467	3.454

\*Pay fixed and receive floating swap

**COMMODITIES**

**Rolling Gold & Oil Prices**



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**News**

- > Continued concerns around shipping disruptions in the Red Sea and escalating tension in the Middle East pushed oil prices slightly higher this morning during the Asian hours. Market will be watching Inventory data from the American Petroleum Institute industry group due today while figures from the Energy Information Administration is due on Thursday.
- > Gold recovered from its recent loss this morning, edging higher despite a stronger dollar.

Spot Market		
	Today	Change (\$)
Brent Crude Oil (\$)	78.84	(2.80)
Gold (\$)	2,065.51	2.92

