

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar is hovering near three-week highs as markets await key US labor data for more cues on the Federal Reserve's plans for interest rate cuts. The Dollar Index (DXY) is trading around 102.45 after an initial dip to 102.20.
- > The Canadian Dollar was undermined by improved US Treasury yields and upbeat USD data although higher oil prices are limiting the losses in the loonie.
- > The EUR/USD pair rose 0.2 percent to reach the range of 1.0948. Traders are awaiting on the sidelines ahead of the Eurozone CPI and the US NFP report.
- > The South African rand trades mostly flat, with supply chains, inventories, output and demand all hit by the port crisis in Durban.
- > The cable continues its upward trend, trading around 1.2690 during the Asian session this morning. The Pound Sterling gained due to the improved data released on Thursday from the United Kingdom.
- > After rising nearly 1 percent in NY session, USD/JPY was quiet in Asia this morning ahead of US jobs data due later in the day.
- > A contraction in Australian business activities and a widespread decline in commodity prices are weighing on the Australian dollar despite improved Chinese PMI data.
- > The USD/MUR opens unchanged this morning, trading at MUR 44.68/USD on the offer. On the other hand, EUR/MUR is trading slightly higher at MUR 49.34/EUR on the offer.

### Daily Technical View

EUR/USD: The EURUSD continues to draw support around 1.0940 backed by an upward revision of the Eurozone PMI yesterday which forced investors to pare their bets for more aggressive rate cuts by the ECB. Market eyes for flash inflation figures for the Eurozone later during the day followed by the Nonfarm payroll in the US. Support lies at 1.0900 followed by 1.0870 while on the upside, a break of 1.0975 could open door to 1.1040.

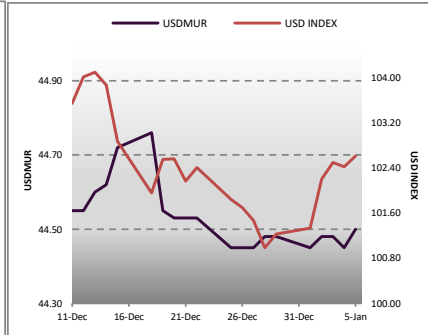
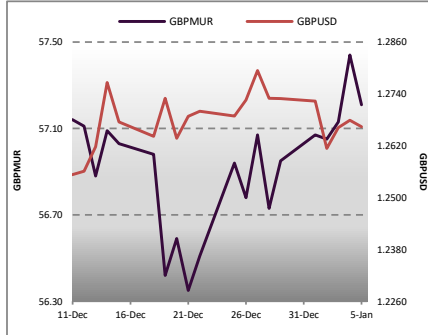
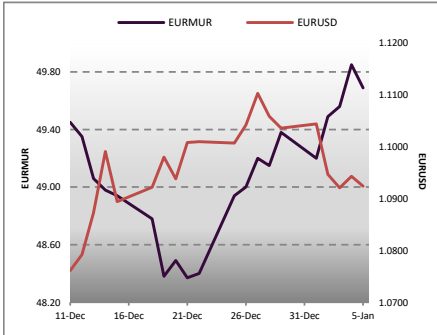
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.36	(0.14)	30.80	(0.15)
CNYMUR	6.09	(0.01)	6.40	(0.01)
EURMUR	47.90	0.07	49.34	0.08
JPYMUR	30.08	(0.30)	31.67	(0.32)
ZARMUR	2.33	-	2.48	-
USDMUR	43.78	-	44.68	-
GBPMUR	55.53	0.04	57.20	0.05

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.31	29.21	29.01	30.78	30.75	30.68
EURMUR	47.82	47.65	47.39	49.33	49.32	49.33
ZARMUR	2.31	2.28	2.23	2.48	2.47	2.46
USDMUR	43.67	43.43	43.03	44.61	44.50	44.34
GBPMUR	55.41	55.14	54.67	57.12	56.98	56.78



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6710	0.6718	0.6692	0.6693
EURUSD	1.0945	1.0955	1.0925	1.0927
GBPUSD	1.2679	1.2696	1.2666	1.2668
USDJPY	144.62	145.28	144.57	145.27
USDCHF	0.8500	0.8517	0.8488	0.8517
USDCNH	7.18	7.18	7.17	7.18

#### Major Indices

	Value at Close	Day Change %
DOW JONES	37,430.19	0.03
S&P 500	4,704.81	(0.80)
FTSE 100	7,723.07	0.53
DAX	16,617.29	0.47
CAC 40	7,450.63	0.52
Nikkei 225	33,288.29	(0.52)
HANGSENG	16,645.98	-

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
4-Jan	17 00	EU	Consumer Price Index	Dec	3.7%	3.8%	3.2%
5-Jan	17 30	US	Nonfarm Payrolls	Dec	-	170K	199K
5-Jan	17 30	US	Unemployment Rate	Dec	-	3.8%	3.7%

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 continued trudging higher on Thursday amid economic data suggesting the US labor market remains resilient.
- > The yield on the 2-year Treasury note rose 6.6 basis points to 4.382 percent from 4.316 percent.
- > The yield on the 10-year Treasury note jumped 8.5 basis points to 3.990 percent, from 3.905 percent after touching an intraday high of 4.005 percent. It was the second straight session in which the 10-year rate briefly surpassed 4 percent.
- > The yield on the 30-year Treasury bond rose 8.1 basis points to 4.136 percent, from 4.055 percent.
- > The total amount of all bids received was MUR 5,100 Mio for the 91-Day Bank of Mauritius Bills and MUR 800 Mio for the 182 and 364-Day Bank of Mauritius Bills respectively.
- > The weighed average yields for the 91, 182 and 364 Day Bank of Mauritius Bills were 3.29 percent, 3.53 percent and 3.65 percent respectively.

### 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	3.55	3.40
6M	3.70	3.55
8M	3.75	3.60
10M	3.80	3.65
1Y	3.85	3.70

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#### 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

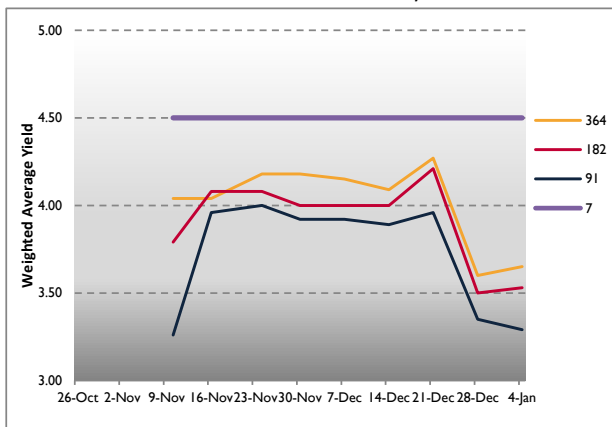
#### Key Central Bank Rates

	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	4.4016	#N/A
UK Bonds	4.181	3.658
German Bonds	2.528	2.062

#### Auction Results of Treasury Bills



#### Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.460	5.592	5.596
EURIBOR	3.887	3.865	3.929	3.882
SONIA	-	5.198	5.203	5.139

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

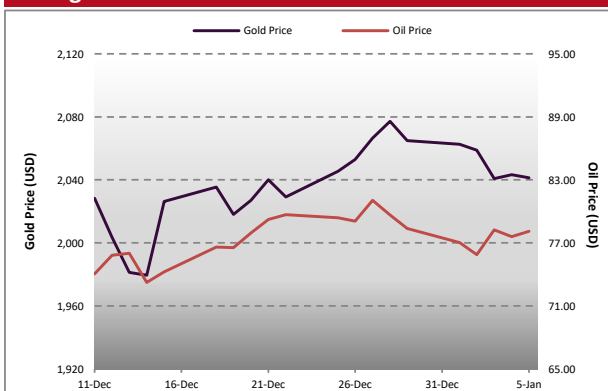
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.840	2.466	2.472	2.548
USD OIS	4.189	3.645	3.560	3.566

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

- > Oil prices extended gains in Asian trade this morning as focus continued to be on supply disruptions in the Middle East. However gains were somewhat limited in anticipation of key US payrolls data due later today.
- > Gold saw some demand this morning amid geopolitical risks and China's economic woes.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	78.43	(0.40)
Gold (\$)	2,041.30	0.52