

## FOREIGN EXCHANGE MARKET

### News

- > On Friday, the US Dollar, as gauged by the DXY Index, has experienced downward pressure, trading as low as 102.20 amidst weak producer price Index data from December but then recovered toward 102.40. Today, the U.S market is closed.
- > The EUR/USD pair holds positive ground above the mid-1.0900s amid the USD weakness. European Central Bank officials emphasized the need to wait for more data before making decisions on rate normalization.
- > The GBP/USD pair have gained some ground on improved production data from the United Kingdom released on Friday.
- > The AUD remained stable on the back of a softer US Dollar amid passive US Treasury yields. Traders await the Australian Westpac Consumer Confidence for January and TD Securities Inflation data, due tomorrow.
- > The CAD kept almost unchanged following a weak US Producer Price Index and as market players look for low-impact Manufacturing Sales from November, the Bank of Canada's latest Business Outlook Survey and Canada's CPI inflation, due this week.
- > The Japanese yen remained under pressure at 145.23 per dollar in Asia this morning on bets that the Bank of Japan will likely keep its ultra-loose policy unchanged at its policy meeting next week.
- > The Chinese yuan tumbled to a one-month low of 7.1813 per dollar after the People's Bank of China surprised markets by keeping its medium-term policy rate unchanged.
- > The USD/MUR stagnates at MUR 44.85/USD on the offer while EUR/MUR drops 5 cents trading at MUR 49.64 this morning.

### Daily Technical View

EUR/USD: EURUSD holds positive grounds above mid 1.0900 amid USD weakness and due to Martin Luther King Jr holiday, risk sentiment is anticipated to remain the primary driver of the major pair movement. Current support lies at 1.0900 while market might find strong resistance at 1.1000-1.1015.

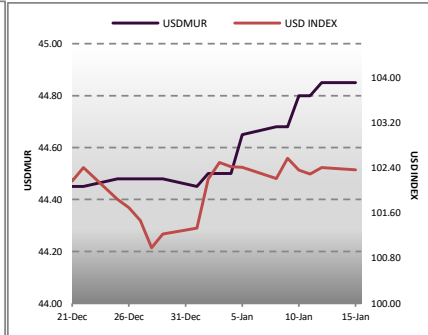
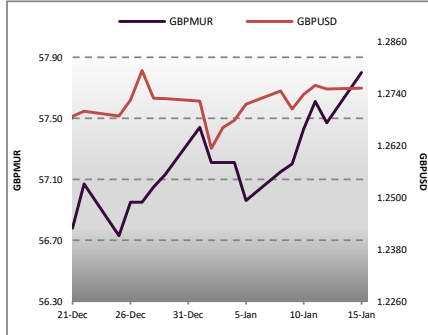
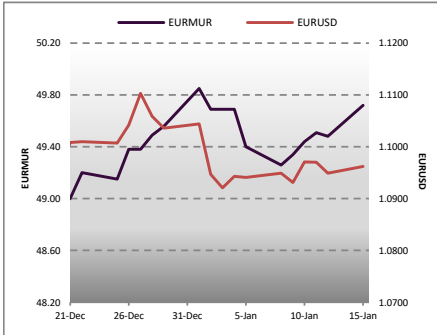
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.43	(0.02)	30.87	(0.02)
CNYMUR	6.12	-	6.43	-
EURMUR	48.19	(0.05)	49.64	(0.05)
JPYMUR	30.13	(0.03)	31.73	(0.03)
ZARMUR	2.35	-	2.50	-
USDMUR	43.95	-	44.85	-
GBPMUR	56.08	(0.06)	57.76	(0.06)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.38	29.28	29.08	30.86	30.83	30.79
EURMUR	48.11	47.94	47.68	49.63	49.61	49.62
ZARMUR	2.33	2.30	2.25	2.50	2.49	2.48
USDMUR	43.84	43.60	43.21	44.79	44.67	44.52
GBPMUR	55.95	55.67	55.22	57.68	57.54	57.32



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6679	0.6704	0.6682	0.6687
EURUSD	1.0953	1.0967	1.0942	1.0964
GBPUSD	1.2747	1.2765	1.2729	1.2755
USDJPY	144.90	145.29	144.88	145.27
USDCHF	0.8518	0.8540	0.8519	0.8529
USDCNH	7.19	7.19	7.18	7.18

#### Major Indices

	Value at Close	Day Change %
DOW JONES	37,711.02	(0.31)
S&P 500	4,783.83	(0.01)
FTSE 100	7,624.93	0.64
DAX	16,704.56	0.95
CAC 40	7,465.14	0.50
Nikkei 225	35,889.43	0.88
HANGSENG	16,244.58	(0.14)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
12-Jan	17 30	US	Producer Price Index (YoY)	Dec	1.8%	1.9%	2.0%
16-Jan	11 00	EU	German CPI (MoM)	Dec	-	0.1%	-0.4%
17-Jan	11 00	UK	CPI (YoY)	Dec	-	3.8%	3.9%

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

- > Treasury yields declined on Friday as investors digested the latest US inflation reading and whether interest rates will fall as soon as March.
- > The yield on the 10-year Treasury note edged lower to 3.946 percent.
- > The 2-year Treasury yield declined nearly 11 basis points to trade at 4.155 percent.
- > The Bank of Mauritius received applications for the 7-Day Bank of Mauritius Bills for a total amount of MUR 10,534 Mio but allotted only MUR 1,000.00 Mio at the weighted average rate of 4.50 percent.
- > Following the auction of the 7YR GOM bonds which resulted in a 2 basis point drop in weighted yield, only 200MM were traded at 4.65 percent. This indicated a low secondary market interest.
- > Yields dropped across tenors owing to an increased excess liquidity and expected key rate changes.
- > Last Friday, the Bank of Mauritius auctioned MUR 3Bln of 2YR BOM Notes at 3.85 percent weighted average yield, 20bps higher than 364-Day bills. This is consistent with its effort to mop the excess the liquidity and stabilize yields.

### 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

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

#### 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

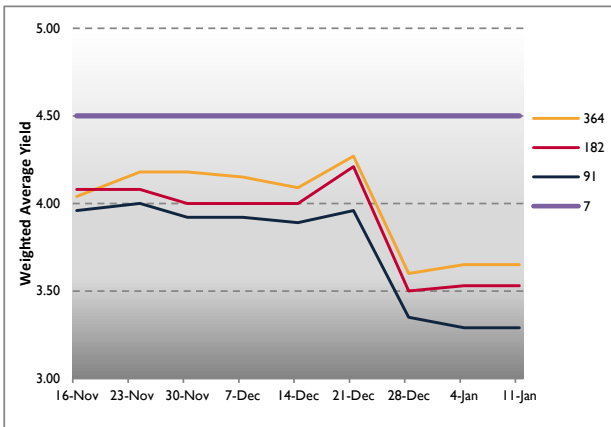
#### Key Central Bank Rates

	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	4.1462	#N/A
UK Bonds	4.184	3.68
German Bonds	2.52	2.083

#### Auction Results of Treasury Bills



#### Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.452	5.578	5.582
EURIBOR	3.884	3.893	3.932	3.896
SONIA	-	5.195	5.198	5.126

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

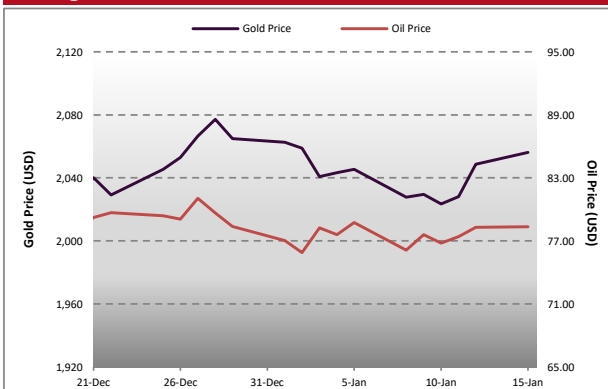
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.816	2.476	2.494	2.575
USD OIS	3.963	3.506	3.469	3.493

\*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 this morning during the Asian hours after US and British strikes against the Iran-backed Houthi Group ramped up concerns over a broader conflict in the Middle East, which coupled with the Israel-Hamas war, threatened to disrupt oil supply from the region.
- > Escalating geopolitical tensions in the Middle East drew investors towards the relative safety of gold.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	82.49	1.42
Gold (\$)	2,056.64	28.55