

FOREIGN EXCHANGE MARKET

News

- > US dollar finds a lift supported by the strong retail sales data from December and a notable rise in US Treasury yields, both of which show that markets are adjusting their bets on the Federal Reserve's rate-cutting timeline.
- > Today, the EUR/USD pair remains capped under the 1.0900 handle. The major pair gains traction despite the firmer US dollar. European Central Bank hawks have pushed back against expectations of an early rate cut, which lends some support to the Euro.
- > The GBP/USD pair is currently trading just below the 1.2700 mark and remain well supported by reduced bets for an early interest rate cut by the Bank of England.
- > The Canadian dollar has been supported by the improved crude prices trading around 1.3500 against the US dollar earlier today.
- > The Australian dollar was trading around 0.6550 on a firmer USD during the early Asian session following employment data showed a 65,100 fall in jobs for December.
- > Today, the Japanese Yen ticks higher against the greenback. The upside remains capped amid bets that the BoJ is unlikely to pivot away from its dovish stance in the wake of the earthquake in Japan, falling rates of inflation in Tokyo.
- > As global financial markets sober up to the reality that interest rate cuts may be a longer way off than expected, the rand weakened to its lowest level against the dollar this year and in almost three months, hitting 19.18 yesterday.
- > USDMUR drops 1 cent this morning trading at 45.04 on the offer while EURMUR and GBPMUR gain 10 and 27 cents respectively.

Daily Technical View

EUR/USD – The single currency bounced from the 200-day SMA resistance at 1.0845 to 1.0905 this morning. Prolonged strength of the pair could conquer the resistance at 1.10 psychological area, while a dive below strong support at 1.0845 would open the door towards 1.0785.

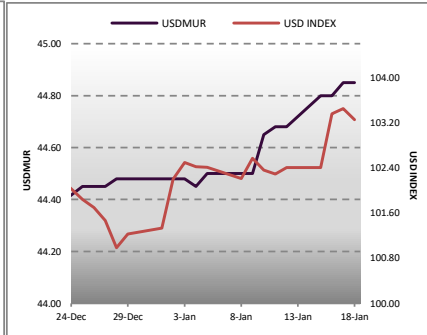
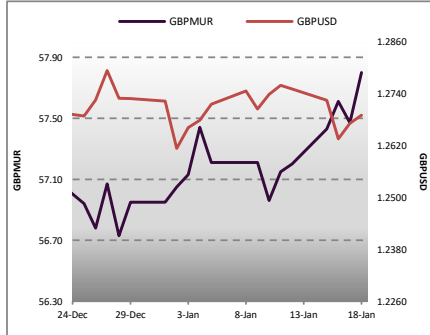
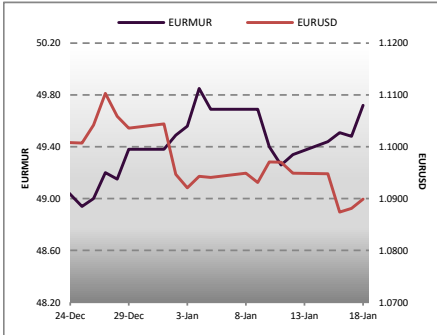
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.94	(0.06)	30.36	(0.06)
CNYMUR	6.11	-	6.42	-
EURMUR	48.08	0.10	49.52	0.10
JPYMUR	29.68	(0.14)	31.25	(0.15)
ZARMUR	2.31	-	2.46	-
USDMUR	44.14	(0.01)	45.04	(0.01)
GBPMUR	55.97	0.26	57.65	0.27

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.90	28.79	28.59	30.35	30.31	30.27
EURMUR	48.00	47.81	47.56	49.51	49.49	49.50
ZARMUR	2.29	2.26	2.20	2.46	2.45	2.44
USDMUR	44.03	43.79	43.40	44.98	44.86	44.71
GBPMUR	55.84	55.58	55.09	57.57	57.43	57.22



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6552	0.6567	0.6527	0.6564
EURUSD	1.0881	1.0906	1.0880	1.0906
GBPUSD	1.2672	1.2697	1.2672	1.2699
USDJPY	148.14	148.25	147.76	147.86
USDCHF	0.8643	0.8651	0.8634	0.8644
USDCNH	7.22	7.23	7.21	7.21

Major Indices

	Value at Close	Day Change %
DOW JONES	37,361.12	(0.25)
S&P 500	4,739.21	(0.56)
FTSE 100	7,446.29	(1.48)
DAX	16,431.69	(0.84)
CAC 40	7,318.69	(2.43)
Nikkei 225	35,440.33	(0.11)
HANGSENG	15,276.90	0.15

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
17-Jan	11 00	UK	CPI (YoY)	Dec	4.0%	3.8%	3.9%
18-Jan	04 30	AUS	Unemployment Rate	Dec	-	3.9%	3.9%
18-Jan	19 15	EU	ECB's President Lagarde Speech	-	-	-	-

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 government debt sold off yesterday, pushing 10- and 30-year Treasury yields to their highest levels again since early December.
- > Today, the Bank of Mauritius will put on auction 182D GOM TBills for a nominal of 500 mln.
- > The 10-year yield rose 3.9 basis points to 4.103 percent, while the 30-year yield inched higher to 4.311 percent.
- > Upon resuming from the bank holidays, the trading activity in the secondary market yesterday was limited to only 10.4 million in short to medium term papers

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

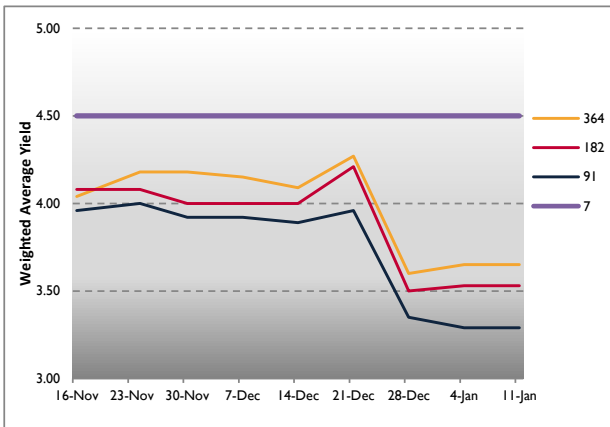
Key Central Bank Rates

	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	4.3312	#N/A
UK Bonds	4.362	3.887
German Bonds	2.697	2.246

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.449	5.571	5.544
EURIBOR	3.882	3.894	3.894	3.867
SONIA	-	5.198	5.209	5.152

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

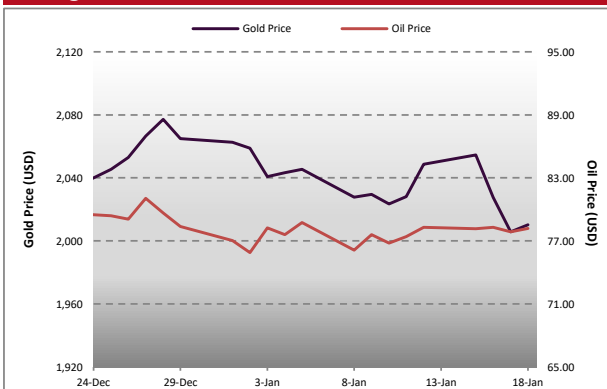
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.954	2.609	2.610	2.675
USD OIS	4.107	3.696	3.637	3.660

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Disruptions in US production following severe cold weather and OPEC's forecast for relatively strong growth in global oil demand over the next two years pushed oil prices higher this morning. But gains in crude were limited by industry data showing an unexpected build in US inventories.
- > Gold touched a one month-low on Wednesday but recovered slightly this morning during the Asian session as the dollar weakened.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	81.50	(0.86)
Gold (\$)	2,012.76	(14.83)