

FOREIGN EXCHANGE MARKET

News

- > The US Dollar index has been experiencing an uptrend, with the index currently trading around the 103.45 level. This comes in anticipation surrounding upcoming key inflation data and the impact of rising yields as markets reduced their dovish bets on the FED.
- > The Euro encountered downward pressure following the preliminary Consumer Confidence released by the European Commission on Tuesday. Market participants will observe the HCOB Purchasing Managers Index data from the Eurozone and Germany today.
- > GBP/USD recovers some lost ground around 1.2693 today. The markets expect the Bank of England to start cutting rates as early as May. Traders await the UK and US PMI reports today.
- > The AUD edged lower, while losses were capped due to recent gains on improved preliminary Purchasing Managers Index (PMI) from Australia, indicating Australian Manufacturing and Services PMI increased to 50.3 and 47.9, respectively.
- > The CAD weakened as market players await the Bank of Canada interest rate decision due today, with expectations it will maintain its key overnight rate unchanged at a 22-year high of 5% due to sticky inflation.
- > The South African rand recovered from a three month low against the US dollar, trading slightly above the 19.00 level ahead of domestic inflation data due today.
- > Following a volatile session a day earlier, the Japanese Yen gained some ground versus the greenback after hawkish remarks from the Bank of Japan.
- > On the back of a stronger USDMUR trading at 45.34 on the offer, both EURMUR and GBPMUR gain 8 and 24 cents respectively.

Daily Technical View

EUR/USD – EURUSD fell from a high of 1.0916 yesterday after data showed a decrease in consumer trust regarding economic activity. The risk averse sentiment is also driving the US dollar in an upward direction. Support for EURUSD lies at 1.0835 while market might find some resistance at 1.0885 followed by 1.0916 ahead of composite PMI later during the day.

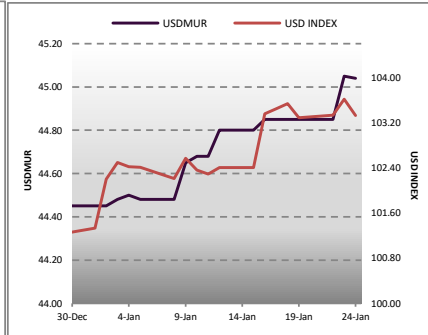
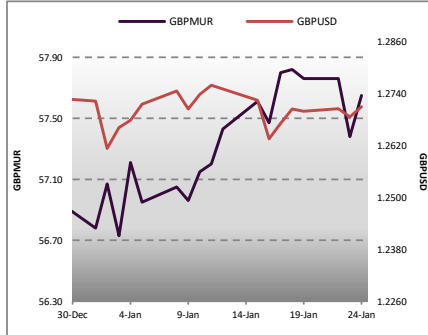
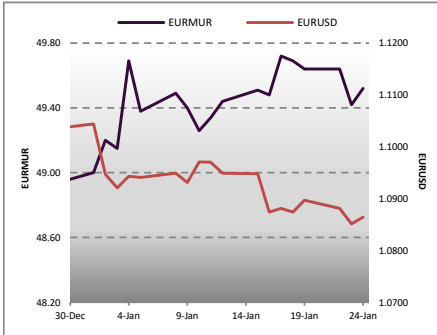
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.19	0.05	30.62	0.05
CNYMUR	6.18	0.06	6.50	0.07
EURMUR	48.26	0.08	49.71	0.08
JPYMUR	29.91	0.18	31.50	0.19
ZARMUR	2.32	0.01	2.47	0.0
USDMUR	44.44	0.25	45.34	0.25
GBPMUR	56.42	0.24	58.11	0.24

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.14	29.04	28.84	30.61	30.57	30.54
EURMUR	48.18	47.99	47.75	49.70	49.68	49.69
ZARMUR	2.30	2.27	2.21	2.47	2.46	2.45
USDMUR	44.33	44.08	43.69	45.28	45.16	45.01
GBPMUR	56.29	56.02	55.55	58.03	57.88	57.67



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6579	0.6593	0.6567	0.6593
EURUSD	1.0852	1.0879	1.0846	1.0867
GBPUSD	1.2686	1.2717	1.2679	1.2714
USDJPY	148.34	148.39	147.48	147.52
USDCHF	0.8701	0.8709	0.8676	0.8672
USDCNH	7.17	7.18	7.16	7.17

Major Indices

	Value at Close	Day Change %
DOW JONES	38,001.81	(0.25)
S&P 500	4,864.60	0.29
FTSE 100	7,524.31	0.52
DAX	16,627.09	(0.34)
CAC 40	7,388.04	(0.01)
Nikkei 225	36,237.74	(0.77)
HANGSENG	15,353.98	1.33

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
23-Jan	07 09	JPY	BoJ Interest Rate Decision	-	-0.1%	-0.1%	-0.1%
24-Jan	18 45	US	S&P Global Services PMI	Jan	-	51	51.4
25-Jan	17 15	EU	ECB Monetary Policy Statement	-	-	-	-

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 Treasuries sold off on Tuesday as traders await fresh information that may challenge the current consensus on the economy's trajectory and Federal Reserve monetary policy.
- > The yield on the 2-year Treasury advanced less than 1 basis point while the yield on the 10-year Treasury rose 4.8 basis points to 4.141 percent, from 4.093 percent.
- > The yield on the 30-year Treasury climbed 6.2 basis points to 4.377 percent, from 4.315 percent.
- > The weighted yield from the 15Yr GoM Bond auction held on Monday was 5.20 percent, with accepted bids ranging between 5.18 percent and 5.25 percent. The bid to cover ratio of 2.60 indicated a strong interest from bidders for this long term paper.
- > Today, the Bank of Mauritius will hold auction for the 364D GOM TBills for a nominal of 500 Mln.

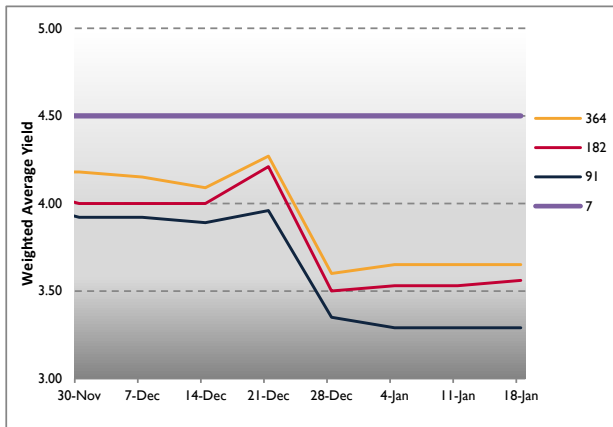
Market Highlights

Local Secondary Market T-Bills			Local Secondary Market T-Bonds			Key Central Bank Rates		
	Bid (%)	Offer (%)		Bid (%)	Offer (%)		Current Level (%)	Previous (%)
1M	3.25	3.10	2 year	4.40	4.20	BOM Key Rate	4.50	4.00
2M	3.30	3.15	3 year	4.75	4.55	Fed Funds Rate	5.50	5.50
3M	3.35	3.20	4 Year	4.75	4.55	BoE Bank Rate	5.25	5.00
4M	3.55	3.40	5 Year	4.80	4.55	ECB Ref. Rate	4.50	4.50
6M	3.60	3.45	10 Year	4.95	4.70	RBA Cash Rate	4.35	4.35
8M	3.70	3.55	15 year	5.35	5.10			
10M	3.80	3.65	20 Year	5.80	5.55			
1Y	3.85	3.70						

Government Benchmark Yields (%)		
	2 Year	5 Year
US Bonds	4.3097	#N/A
UK Bonds	4.317	3.88
German Bonds	2.667	2.213

[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	-	5.450	5.580	5.605
EURIBOR	3.885	3.859	3.945	3.925
SONIA	-	5.195	5.207	5.161

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.932	2.593	2.603	2.674
USD OIS	4.134	3.699	3.660	3.678

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Although escalating geopolitical tensions in the Middle East limited losses in oil, concerns over tepid oil demand and a stronger dollar weighed on prices this morning in Asia.
- > Gold came under renewed selling pressure amid reduced bets for an early Fed rate cut although geopolitical risks and an uncertain economic global economic outlook capped losses in the yellow metal. Market participants are keenly awaiting the release of several key US economic indicators for direction.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	84.65	1.34
Gold (\$)	2,031.50	10.51