

## FOREIGN EXCHANGE MARKET

### News

- > The greenback battles with key level ahead of PCE figures. The US economy yet again demonstrates resilience as shown in the strong Q4 GDP growth of 3.3 percent. The FED's aggressive hikes have succeeded in moderating inflation without causing significant economic pain.
- > EUR/USD holds its position near 1.0850 today, which could be attributed to the ECB's interest rate decision yesterday. The European Central Bank maintained its interest rates for a third consecutive meeting.
- > The GBP/USD pair struggles to gain any meaningful traction on Friday and is currently trading just above the 1.2700 handle. Market awaits the release of the US PCE Price Index for a fresh impetus.
- > The AUD reacted positively to the good performance of copper and iron and keeps stable despite the stance of lower US Treasury yields. The volatility is expected to decrease as financial markets are closed today in observance of the Australia Day Holiday.
- > The CAD weakened as market players await for the release of the Core Personal Consumption Expenditures Price Index for December, and the Fed's preferred inflation measure, due today while the Bank of Canada held its key overnight rate at 5.0 percent on Wednesday.
- > The Japanese Yen traded firm around 147.80 per dollar after core inflation data in Japan dropped back under the BOJ 2percent target, increasing doubts about the pace of tightening from the Central Bank.
- > Following a rise the day earlier after consumer inflation fell for a second consecutive month, the South African currency steadied as market participants shrugged off economic data revealing a slowdown in producer price inflation and the South African Reserve Bank's decision to leave interest rates unchanged at 8.25percent.
- > USDMUR is trading 21 cents higher today at 45.55 while the EURMUR lost 16 cents to trade at 49.87 on the offer side.

### Daily Technical View

EUR/USD – The greenback posted some significant gains during the overnight session as GDP figures from the US exceeded markets expectations. Traders expect the Fed to keep rates on hold for their forthcoming first meeting in 2024 but they will be closely monitoring any clues about the central bank's stance on forthcoming rate decisions. A daily close below the 200 DMA will target 1.0780 while any rally towards 1.0900/20 will find sellers.

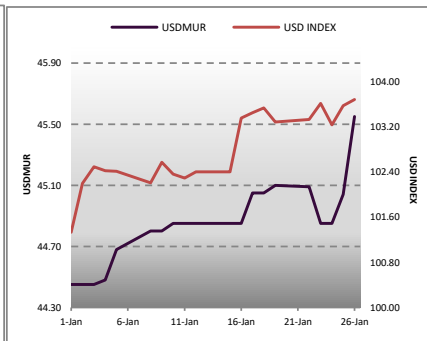
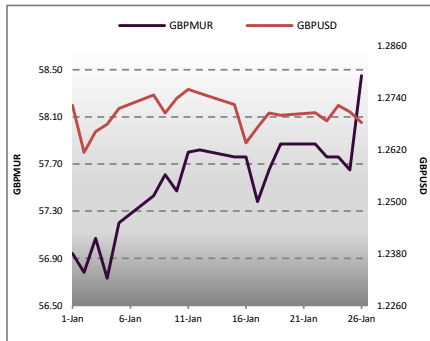
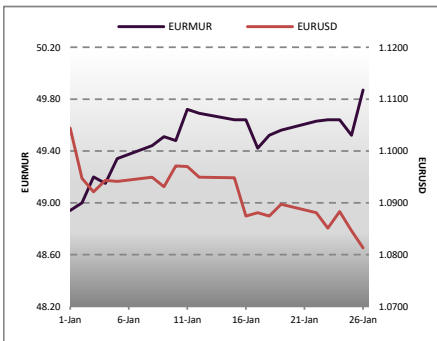
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.44	0.25	30.88	0.26
CNYMUR	6.21	0.03	6.53	0.03
EURMUR	48.42	0.16	49.87	0.16
JPYMUR	30.09	0.18	31.68	0.18
ZARMUR	2.36	0.04	2.51	0.0
USDMUR	44.65	0.21	45.55	0.21
GBPMUR	56.75	0.33	58.45	0.34

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.39	29.29	29.09	30.86	30.83	30.80
EURMUR	48.34	48.17	47.92	49.86	49.84	49.84
ZARMUR	2.34	2.31	2.25	2.51	2.50	2.49
USDMUR	44.54	44.29	43.89	45.49	45.37	45.21
GBPMUR	56.62	56.34	55.86	58.37	58.22	58.02



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6583	0.6596	0.6577	0.6583
EURUSD	1.0841	1.0848	1.0816	1.0820
GBPUSD	1.2708	1.2716	1.2685	1.2688
USDJPY	147.61	147.88	147.49	147.79
USDCHF	0.8668	0.8685	0.8664	0.8684
USDCNH	7.18	7.19	7.18	7.19

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	37,806.39	0.64
S&P 500	4,868.55	0.08
FTSE 100	7,529.73	0.03
DAX	16,906.92	0.10
CAC 40	7,464.20	0.11
Nikkei 225	36,236.47	(0.11)
HANGSENG	16,211.96	5.58

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
24-Jan	18 45	US	S&P Global Services PMI	Jan	52.9	51	51.4
26-Jan	17 30	US	Core Personal Consumption Expenditures	Dec	-	3.0%	3.2%
26-Jan	19 00	US	Pending Home Sales	Dec	-	1.5%	0.0%

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 dropped after a report showed faster than expected economic growth in Q4 failed to push inflation higher.
- > The yield on the benchmark 10-year Treasury note dropped nearly 5 basis points to 4.13 percent, while the yield on the 2-year Treasury note slipped more than 6 basis points to 4.314 percent.
- > On Wednesday, the Bank of Mauritius auctioned MUR 500 million of 364D GOM T-Bills. The auction was over allocated by MUR 500 million resulting in 4 bids accepted for MUR 1 billion at a weighted average yield of 3.74%.

- > Secondary market has been very active this week with around MUR 1.2 billion worth Treasury Bonds trading on the mid to longer end of the yield curve while only MUR 95 Million worth have been traded on the 4 months to 3 years papers. The following trades have been recorded on the long term papers: A total of MUR 70M on the 20Yr at 5.55 percent, MUR 558.9M on the 15Yr at 5.15 percent - 5.16 percent, MUR 334.5M on the 10Yr at 4.75 percent and MUR 309.95M in the 7Yr at 4.62 percent - 4.66 percent.
- > Today, the Bank of Mauritius will put on auction the weekly 7D BOM Bills for a nominal of MUR 1 billion at a fixed rate of 4.50percent.

### Market Highlights

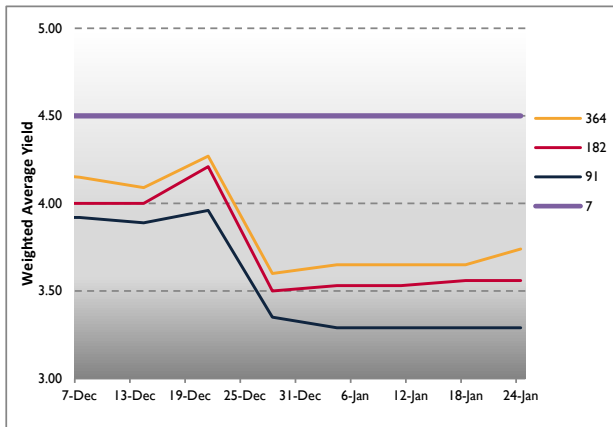
Local Secondary Market T-Bills			Local Secondary Market T-Bonds			Key Central Bank Rates		
	Bid (%)	Offer (%)		Bid (%)	Offer (%)		Current Level (%)	Previous (%)
1M	3.25	3.10	2 year	4.30	4.10	BOM Key Rate	4.50	4.00
2M	3.30	3.15	3 year	4.75	4.55	Fed Funds Rate	5.50	5.50
3M	3.35	3.20	4 Year	4.75	4.55	BoE 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	3.75	3.60	20 Year	5.80	5.55			
1Y	3.80	3.65						

Government Benchmark Yields (%)		
	2 Year	5 Year
US Bonds	4.285	#N/A
UK Bonds	4.366	3.913
German Bonds	2.559	2.128

[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	-	5.451	5.586	5.616
EURIBOR	3.849	3.862	3.929	3.922
SONIA	-	5.195	5.207	5.171

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

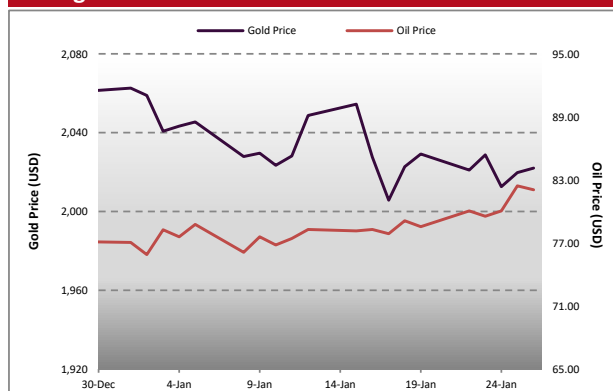
### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.876	2.557	2.576	2.654
USD OIS	4.082	3.688	3.658	3.684

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > Latest figures showing the US economy growing at a faster rate than anticipated in the fourth quarter and stimulus measures from top importer China propelled oil prices on Thursday to their highest levels since early December. Geopolitical tensions in the Middle East and the disruption of shipping in the Red Sea provided additional support to oil prices.
- > Gold recovered despite stronger-than-anticipated US Q4 GDP data weakened expectations for early interest rate-cuts by the Federal Reserve. Geopolitical risks and the uncertain global economic outlook further benefitted the precious

Spot Market		
	Today	Change (\$)
Brent Crude Oil (\$)	84.94	0.30
Gold (\$)	2,022.90	10.31