

FOREIGN EXCHANGE MARKET

News

- > The Dollar Index continues its downward trend and fell to its lowest level since July below the range of 101.00. Markets are now awaiting for the release of today's US Jobless Claims data.
- > The EUR/USD is trading around the 1.1100 range during the early Asian session on Thursday. The weaker US Dollar continues to support the major pair. Traders enter holiday mode and the market is expected to be calm this week.
- > The cable extends its upside above the 1.2800 mark during the Asian trading hours today. The GBP/USD is also being supported by the weaker US Dollar. The major pair is trading at 1.2810, up 0.09% on the day.
- > Robust Australian economic conditions, a softer US dollar and subdued US Treasury yields continues to push the Australian dollar to fresh highs.
- > The USD/CAD pair was trading near the round-level support of 1.3200 this morning amid as the US dollar weakened further.
- > Improved Japanese trade data underpinned the yen although dovish remarks from BoJ Governor Kazuo Ueda could limit the gains.
- > With the US dollar on the backfoot on the international front, USD/MUR shed three cents this morning to trade at MUR 44.45/USD while EUR/MUR maintains its upward pattern to be offered at MUR 49.85/EUR.

Daily Technical View

The EURUSD pair extends its rally above 1.1100 as weaker US dollar lends some support to the pair. The potential rate cut next year from the Fed continues to boost the EUR and moreover, ECB'S President Christine Lagarde delivered hawkish comments in her latest press conference stating that the central bank policy decisions are data dependent and not influenced by market pricing or time bound pressures. 1.1032 will provide some support in the near term while on the upside, 1.1184 will be a key resistance to watch ahead of initial jobless claims later today.

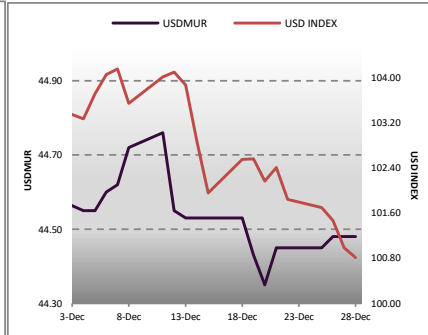
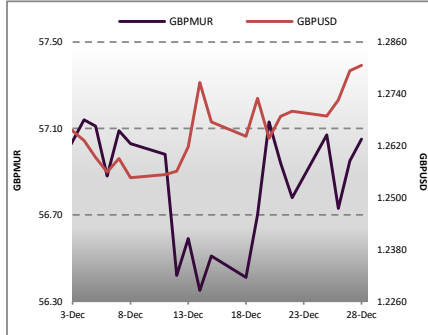
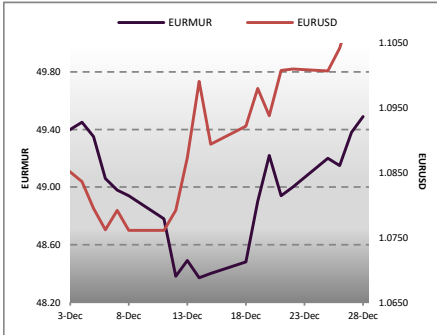
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.85	0.05	31.31	0.05
CNYMUR	6.11	0.02	6.42	0.02
EURMUR	48.40	0.28	49.85	0.29
JPYMUR	30.67	0.26	32.30	0.28
ZARMUR	2.36	0.03	2.51	0.0
USDMUR	43.55	(0.03)	44.45	(0.03)
GBPMUR	55.77	0.30	57.44	0.31

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.80	29.69	29.49	31.29	31.26	31.22
EURMUR	48.32	48.13	47.86	49.84	49.82	49.81
ZARMUR	2.34	2.31	2.25	2.51	2.50	2.49
USDMUR	43.44	43.20	42.78	44.39	44.27	44.08
GBPMUR	55.64	55.37	54.92	57.36	57.21	57.01



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6844	0.6871	0.6838	0.6851
EURUSD	1.1105	1.1122	1.1102	1.1115
GBPUSD	1.2795	1.2816	1.2792	1.2816
USDJPY	141.82	141.82	141.10	141.16
USDCHF	0.8424	0.8436	0.8395	0.8405
USDCNH	7.15	7.15	7.11	7.11

Major Indices

	Value at Close	Day Change %
DOW JONES	37,545.33	0.30
S&P 500	4,774.75	0.42
FTSE 100	7,724.95	0.36
DAX	16,742.07	0.21
CAC 40	7,571.82	0.04
Nikkei 225	33,681.24	0.45
HANGSENG	16,624.84	1.74

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
28-Dec	13:30	US	Initial Jobless Claims	-	-	210K	205K
28-Dec	15:00	US	Pending Home Sales	Nov	-	1%	-1.5%
29-Dec	12:00	EUR	Harmonized Index of Consumer Prices	Dec	-	3.6%	3.3%

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 edged lower yesterday, as investors continued to bet that inflation will ease and the Federal Reserve will cut interest rates in 2024, with rates extending their drop in the afternoon after the Treasury Department sold a slug of 5-year Treasury notes.

> Benchmark US bond yields extended their drop after market participants absorbed the sale of USD 58 billion in 5-year Treasury notes. Yields had declined as investors continued to bet that the easing of inflation, which dampened down to 3.1 percent in November.

> The yield on the 2-year US Treasury note dropped 4.3 basis points to trade at 4.242 percent, its lowest closing level since May 17, while the benchmark 10-year yield gave away 9.7 basis points to 3.788 percent. The long-bond yield slid to 3.944 percent, its lowest since July 26.

> Today, the Bank of Mauritius will hold the auction for the 91-Day, 182-Day and 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 3,000 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.70	3.55
2M	3.80	3.65
3M	3.90	3.75
4M	3.95	3.80
6M	4.00	3.85
8M	4.05	3.90
10M	4.10	3.95
1Y	4.15	4.00

[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

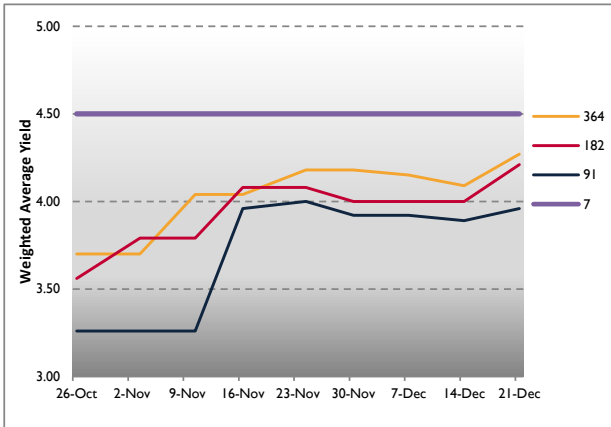
Key Central Bank Rates

	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	4.2726	#N/A
UK Bonds	3.977	3.406
German Bonds	2.391	1.854

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.470	5.613	5.616
EURIBOR	3.872	3.865	3.931	3.895
SONIA	-	5.200	5.214	5.145

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

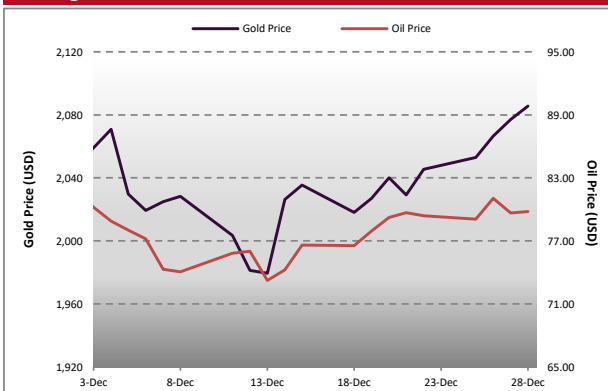
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.732	2.297	2.292	2.361
USD OIS	4.020	3.451	3.377	3.362

*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 strengthened further as Middle East tensions escalate. Brent crude futures 0.3 per cent, to USD 79.85 a barrel while US WTI crude futures were up 0.3 per cent, at USD 74.35 a barrel.

> The yellow metal price gains momentum above a record close of \$2,070 during the early Asian session, bolstered by the softer US Dollar across the board. Gold price currently trades near \$2,080, gaining 0.09%.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	83.58	0.29
Gold (\$)	2,087.03	20.43