

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar staged a correction on Thursday, trimming weekly losses even as the rally on Wall Street continued. US bond yields edged higher, which favoured the bounce in the dollar.
- > EUR/USD hit a fresh monthly high at 1.1139 before pulling back to the 1.1055 area. Spain's preliminary readings of the December CPI and the US Chicago PMI for December are due this Friday.
- > GBP/USD retreated from monthly highs, falling from above 1.2800 to around 1.2700. The final economic report of 2023 in the UK will be the Nationwide Housing Prices for December.
- > The Aussie dollar shows strength on the back of improved risk appetite, as market participants anticipate a dovish stance from the Federal Reserve concerning interest rates in early 2024.
- > The USD/CAD pair recovers some lost ground during the Asian session on Friday. The rebound of the pair is supported by the modest gains of the US dollar and a decline in oil prices.
- > The South African rand dropped as local investors focus towards monthly money supply, budget and trade balance figures due today, looking for hints on the health of the economy.
- > The Japanese yen edged up while Bank of Japan (BoJ) Governor Kazuo Ueda commented that he was in no rush to undo the ultra-loose monetary policy as the risk of inflation moving well above 2% and increasing further was negligible.
- > The USD/MUR gains 5 cents this morning, to open at MUR 44.50/USD on the offer. With the single currency trading around 1.1065 against the greenback, the EUR/MUR sees a drop to MUR 49.69/EUR on the offer.

### Daily Technical View

EURUSD trades with modest gains near 1.1070 amid light trading volume on this last trading day of the year after reaching a high of 1.1140 this week as risk appetite sees a late reversal. Support for the pair lies around 1.1060 while 1.1100 remains key level to break on the upside. Market awaits Spain preliminary readings of the December CPA later today.

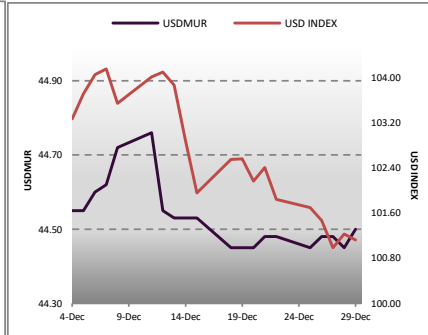
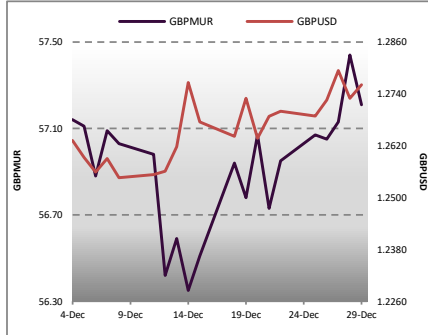
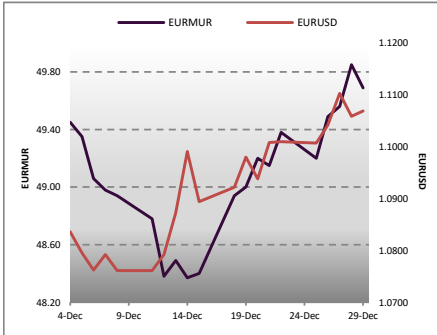
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.80	(0.05)	31.26	(0.05)
CNYMUR	6.13	0.02	6.44	0.02
EURMUR	48.24	(0.16)	49.69	(0.16)
JPYMUR	30.67	-	32.30	-
ZARMUR	2.34	(0.02)	2.49	(0.0)
USDMUR	43.60	0.05	44.50	0.05
GBPMUR	55.54	(0.23)	57.21	(0.23)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.75	29.65	29.44	31.24	31.21	31.17
EURMUR	48.15	47.99	47.73	49.68	49.67	49.67
ZARMUR	2.32	2.29	2.23	2.49	2.48	2.47
USDMUR	43.49	43.27	42.88	44.44	44.32	44.15
GBPMUR	55.41	55.14	54.68	57.13	56.99	56.80



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6829	0.6846	0.6824	0.6843
EURUSD	1.1060	1.1084	1.1062	1.1075
GBPUSD	1.2729	1.2772	1.2727	1.2767
USDJPY	141.39	141.66	141.21	141.23
USDCHF	0.8445	0.8450	0.8422	0.8429
USDCNH	7.12	7.12	7.09	7.09

#### Major Indices

	Value at Close	Day Change %
DOW JONES	37,656.52	0.14
S&P 500	4,781.58	0.14
FTSE 100	7,722.74	(0.03)
DAX	16,701.55	(0.24)
CAC 40	7,535.16	(0.48)
Nikkei 225	33,539.62	(0.42)
HANGSENG	17,043.53	2.51

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
28-Dec	17 30	US	Initial Jobless Claims	-	218K	210K	206K
28-Dec	19 00	US	Pending Home Sales	Nov	0.0%	1%	-1.2%
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 ticked higher yesterday, after a weakly received sale of 7-year notes in the final full trading session of 2023.
- > Yields extended their rise after the Treasury Department sold USD 40 billion in 7-year notes producing a high yield of 3.859 percent, versus a when-issued yield of around 3.84 percent ahead of the sale. Yields remain lower on the week, however, and have declined sharply since the 10-year topped 5 percent in October, a decline accelerated by expectations for the Federal Reserve to begin cutting interest rates in 2024.

- > The yield on the 2-year US Treasury note gained 3.9 basis points to 4.281 percent, while the 10-year yield firmed by 6.1 basis points to 3.849 percent. The long-bond yield rose by 4.4 basis points to 3.988 percent.
- > The total amount of all bids received was MUR 1,150 Mio for the 182-Day Bank of Mauritius Bills and MUR 5,050 Mio and MUR 900 Mio for the 91 and 364-Day Bank of Mauritius Bills respectively.

### 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	3.60	3.45
6M	3.90	3.75
8M	3.95	3.80
10M	4.00	3.85
1Y	4.05	3.90

[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

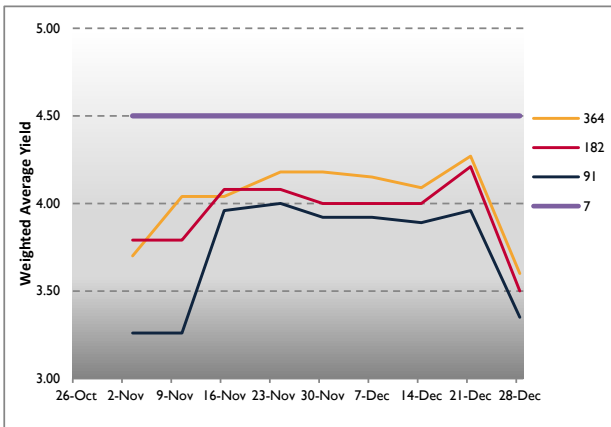
#### Key Central Bank Rates

	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	4.2705	#N/A
UK Bonds	3.98	3.426
German Bonds	2.386	1.890

#### Auction Results of Treasury Bills



#### Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.470	5.610	5.612
EURIBOR	3.857	3.843	3.925	3.885
SONIA	-	5.198	5.207	5.131

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

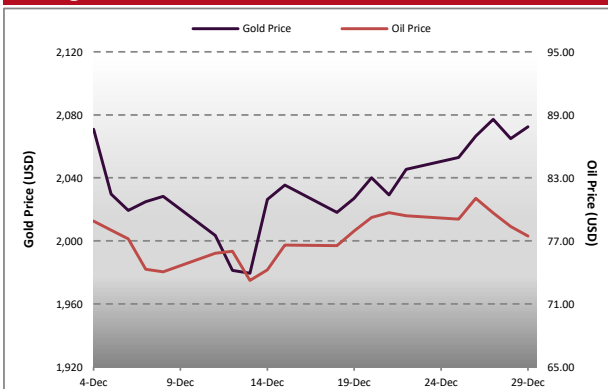
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.707	2.320	2.326	2.402
USD OIS	4.023	3.470	3.397	3.388

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > Oil headed for the biggest annual drop since 2020 as war and OPEC+ production cuts failed to lift prices, with traders concerned that global crude supplies may still obscure future demand. Brent crude held above USD 77 a barrel, while WTI traded near USD 72 a barrel.
- > Gold price hovers around USD 2,065 after retracing from USD 2,088 on the back of a rebound in US Dollar and higher US Treasury bond yields.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	81.65	(1.18)
Gold (\$)	2,073.55	(3.61)