

FOREIGN EXCHANGE MARKET

News

- > The US Dollar Index soared on Monday, trading at 103.75. This surge comes ahead of what is anticipated to be an eventful week with the first FED decision of 2024 on Wednesday and key labour market figures from the US on Friday.
- > EUR/USD is trading in the 1.0840 region as investors await the advanced Q4 Gross Domestic Product from Germany and the eurozone due today.
- > The GBP/USD pair remains well-supported above the 1.2700 mark during the early Asian session on Tuesday. Markets turn to a cautious mood ahead of the key two events from the Federal Open Market Committee and the Bank of England on Wednesday and Thursday respectively.
- > The AUD strengthened despite the seasonally adjusted Retail Sales (MoM) for December indicated a decline of 2.7 percent. The currency gained support following positive sentiments arising from news about additional stimulus measures in China and as market players await the Australian CPI data, due tomorrow, which is expected to drop by 0.8 percent in the fourth quarter from 1.2 percent prior.
- > The Canadian dollar remains under pressure, with traders focus on tomorrow's Canada's GDP for November, which is estimated to expand by 0.1 percent MoM, and the Federal Open Market Committee meeting, with no change in rate expected.
- > The South African currency traded on a steady note on muted risk appetite, as market participants will closely watch the Fed's two-day policy meeting starting today for fresh clues on its monetary policy path.
- > The JPY rose 0.15 percent against the US dollar to trade at around 147.30 in Asia this morning. Government data released on Tuesday showed Japan's jobless rate dropped to 2.4 percent in December from the previous month, slightly below median forecast of 2.5 percent in a Reuters poll.
- > This morning, the USDMUR pair opens three cents higher on the offer side at 45.58, while the EURMUR opens at 49.85, two cents lower than yesterday.

Daily Technical View

EUR/USD – The shared currency bounced from a low at 1.0796 to 1.0842, coinciding with 50-EMA on the hourly chart, unwinding in what appears like a falling diagonal pattern. A break above resistance at 1.0885 would extend short-term correction towards 1.0930. Overall structure remains bearish. A decisive plunge below tough resistance at 1.08 area will catapult towards 1.0735.

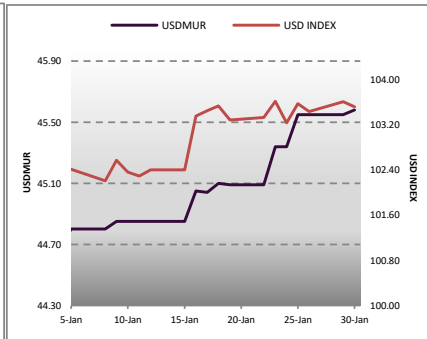
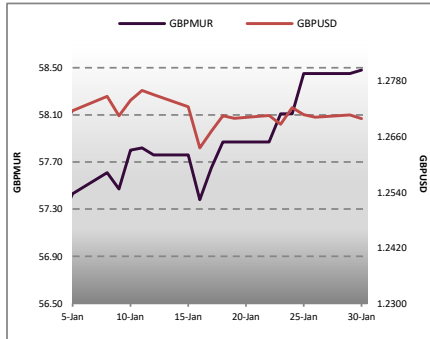
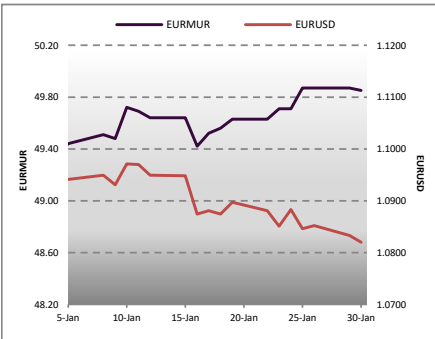
Market Highlights

Indicative Spot Rates

| | Bid | | Offer | |
|--------|-------|--------------|-------|--------------|
| | Today | Change (Rs.) | Today | Change (Rs.) |
| AUDMUR | 29.53 | 0.10 | 30.98 | 0.11 |
| CNYMUR | 6.21 | 0.01 | 6.53 | 0.01 |
| EURMUR | 48.40 | (0.03) | 49.85 | (0.03) |
| JPYMUR | 30.16 | 0.17 | 31.76 | 0.18 |
| ZARMUR | 2.36 | (0.01) | 2.51 | (0.0) |
| USDMUR | 44.68 | 0.03 | 45.58 | 0.03 |
| GBPMUR | 56.78 | 0.06 | 58.48 | 0.06 |

Indicative Forward Rates

| | Bid | | | Offer | | |
|--------|-------|-------|-------|-------|-------|-------|
| | 1m | 3m | 6m | 1m | 3m | 6m |
| AUDMUR | 29.48 | 29.38 | 29.18 | 30.96 | 30.94 | 30.87 |
| EURMUR | 48.31 | 48.13 | 47.89 | 49.84 | 49.82 | 49.85 |
| ZARMUR | 2.34 | 2.31 | 2.25 | 2.51 | 2.50 | 2.49 |
| USDMUR | 44.57 | 44.32 | 43.93 | 45.52 | 45.40 | 45.24 |
| GBPMUR | 56.65 | 56.37 | 55.89 | 58.40 | 58.25 | 58.05 |



Previous Day Trading Levels

| | Previous Day Trading Levels | | | Today |
|--------|-----------------------------|--------|--------|--------|
| | Opening | High | Low | Latest |
| AUDUSD | 0.6610 | 0.6624 | 0.6605 | 0.6615 |
| EURUSD | 1.0831 | 1.0842 | 1.0821 | 1.0823 |
| GBPUSD | 1.2708 | 1.2721 | 1.2702 | 1.2702 |
| USDJPY | 147.50 | 147.52 | 147.20 | 147.35 |
| USDCHF | 0.8610 | 0.8623 | 0.8611 | 0.8620 |
| USDCNH | 7.19 | 7.19 | 7.18 | 7.19 |

Today

Major Indices

| | Value at Close | Day Change % |
|------------|----------------|--------------|
| DOW JONES | 38,109.43 | 0.59 |
| S&P 500 | 4,927.93 | 0.75 |
| FTSE 100 | 7,632.74 | (0.03) |
| DAX | 16,941.71 | (0.12) |
| CAC 40 | 7,640.81 | 0.09 |
| Nikkei 225 | 36,026.94 | 0.77 |
| HANGSENG | 16,077.24 | 0.78 |

Major Economic Releases (at GMT)

| Date | Time | Country | Event | Period | Actual | Expected | Prior |
|--------|-------|---------|------------------------|--------|--------|----------|-------|
| 30-Jan | 14 00 | EU | Gross Domestic Product | Q4 | - | -0.1% | -0.1% |
| 30-Jan | 14 00 | EU | Consumer Confidence | Jan | - | -16.1 | -16.1 |
| 31-Jan | 17 15 | US | ADP Employment Change | Jan | - | 145K | 164K |

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 declined on Monday as investors looked ahead to a week of key economic data and the Federal Reserve's first interest rate decision for the year.
- > The yield on the 10-year Treasury was down by 9.4 basis points to 4.066 percent.
- > The 2-year Treasury yield pulled back 5.5 basis points to 4.31 percent.
- > On the local market, yesterday's trading session was mainly focused on Treasury Bills, with 1 Billion of maturities of less than 1 year changing hands on the secondary market.
- > The 15YR bond issued last week continues to attract interests from investors. Over the past two days, the bond has been traded at levels ranging between 5.12 percent and 5.15 percent.
- > This week, the Bank of Mauritius will put on auction:
 - 31st January : 182D GOM T-Bills for a nominal of 500 Million
 - 31st January : 91D and 364D BOM Bills for a total nominal of 2 Billion
 - 2nd February : 7D BOM Bills for a nominal of 1 Billion at a fixed rate of 4.50 percent
 - 2nd February : 2YR BOM Notes for a nominal of 2 Billion

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 | 3.60 | 3.45 |
| 8M | 3.70 | 3.55 |
| 10M | 3.75 | 3.60 |
| 1Y | 3.80 | 3.65 |

[Click here to access our Mauritian Bond Market page](#)

Local Secondary Market T-Bonds

| | Bid (%) | Offer (%) |
|---------|---------|-----------|
| 2 year | 4.30 | 4.10 |
| 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 | 5.35 | 5.10 |
| 20 Year | 5.80 | 5.55 |

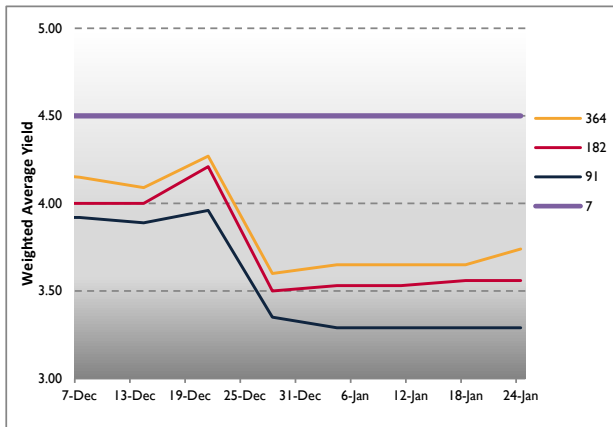
Key Central Bank Rates

| | 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 | 4.3036 | #N/A |
| UK Bonds | 4.295 | 3.813 |
| German Bonds | 2.4805 | 2.128 |

Auction Results of Treasury Bills



Money Market Rates

| Reference Rate*(%) | 1 Week | 1 Month | 3 Months | 6 Months |
|--------------------|--------|---------|----------|----------|
| Term SOFR | - | 5.451 | 5.579 | 5.586 |
| EURIBOR | 3.895 | 3.871 | 3.887 | 3.873 |
| SONIA | - | 5.194 | 5.202 | 5.139 |

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

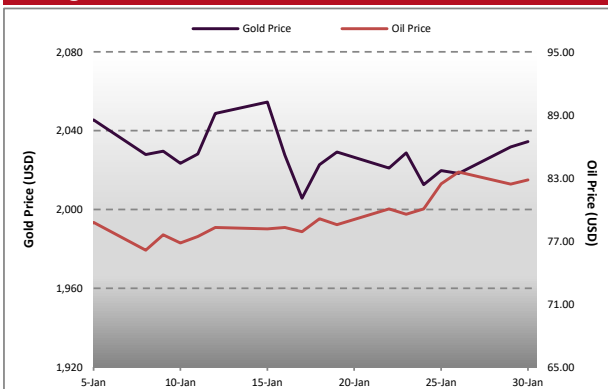
Indicative Generic Swap Rates* (%)

| Tenor | 2yr | 5yr | 7yr | 10yr |
|--------------|-------|-------|-------|-------|
| EURIBOR - 3m | 2.833 | 2.503 | 2.521 | 2.602 |
| USD OIS | 4.104 | 3.666 | 3.613 | 3.633 |

*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 dropped by more than 1 percent on Monday on demand worries from China amid a deepening real estate crisis. However, prices bounced back this morning during the Asian session as escalating geopolitical tensions in the Middle East fuelled supply concerns.
- > Gold is trading in the \$ 2 030 region as market weighs the rise in the Middle-East geopolitical tensions against the backdrop of reduced bets for a March Fed interest rate cut.

Spot Market

| | Today | Change (\$) |
|----------------------|----------|-------------|
| Brent Crude Oil (\$) | 86.60 | 1.67 |
| Gold (\$) | 2,034.84 | 16.50 |