

FOREIGN EXCHANGE MARKET

News

- > The outcome of the FOMC and press conference last week continued to drag the US dollar lower, which touched a fresh 5-week low against a basket of major currencies. This week, markets will focus on speeches by several Federal Reserve officials, including Chair Janet Yellen on Thursday.
- > The euro traded on a firm tone as investors were relieved by the Netherlands election results last week. Attention now turns to the French election, with the first Presidential debate to be held later today.
- > The Great Britain Pound maintained its upward trajectory and traded near the 1.24 figure against the USD since the Bank of England kept interest rates on hold last Thursday. The UK will release multiple inflation figures this Wednesday, including PPI, CPI and Retail Price index.
- > The USD/JPY pair retreated to 112.48 its lowest level in 2 weeks on concerns over comments made over the weekend at a meeting of finance ministers from leading economies that highlighted a lack of cohesion on global trade policies while markets are closed for Equinox holiday in Japan today.
- > The Aussie rallied to USD 0.7727 on the back of strong recovery in base metals ahead of the release of RBA minutes scheduled for tomorrow.
- > The South African Rand firmed to 12.67 a 19 months highs against the greenback on the back of broad based weakness of the US dollar.
- > The US dollar posts no change on the local market while the other major currencies are trading mixed versus the rupee with the south african rand hitting its highest level since July 2015.

Daily Technical View

EUR/USD - The pair was in a consolidation mode on Friday as it shuffled in a tight 1.0728 - 1.0782 range, with falling U.S. yields offset by some pre-week-end take profit. Although the technical is bullish we think that the 1.0780/1.0810 levels may prove tough to clear on first testing and suggest to sell the rallies in that area with S/L above 1.0835 for a move back to 1.0650/85

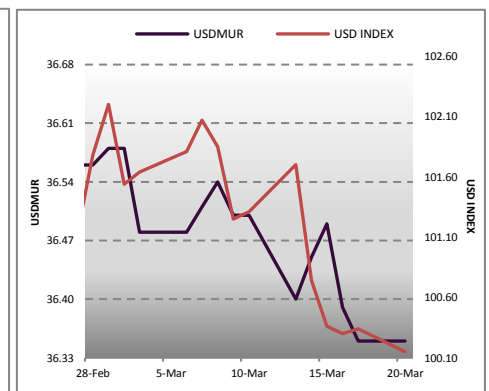
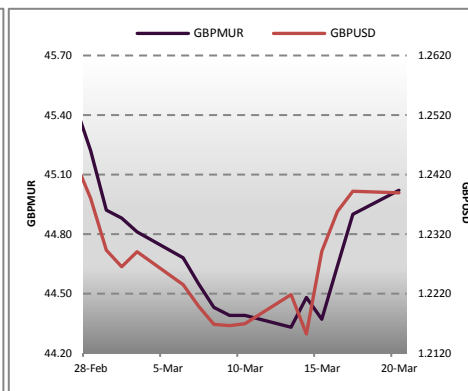
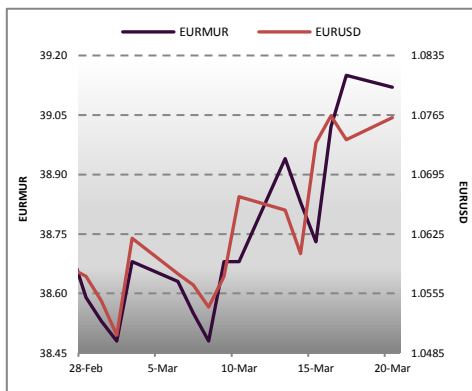
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	26.86	0.11	28.13	0.12
CNYMUR	5.03	(0.01)	5.29	(0.01)
EURMUR	37.63	(0.03)	39.12	(0.03)
JPYMUR	30.99	0.24	32.37	0.25
ZARMUR	2.76	0.02	2.89	0.02
USDMUR	34.97	-	36.35	-
GBPMUR	43.31	0.12	45.02	0.12

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	26.84	26.80	26.76	28.15	28.19	28.26
EURMUR	37.68	37.81	38.00	39.20	39.40	39.70
ZARMUR	2.75	2.72	2.67	2.88	2.86	2.83
USDMUR	34.98	35.01	35.03	36.39	36.48	36.60
GBPMUR	43.34	43.44	43.57	45.08	45.26	45.52



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7699	0.7728	0.7688	0.7729
EURUSD	1.0738	1.0764	1.0733	1.0766
GBPUSD	1.2398	1.2398	1.2378	1.2395
USDJPY	112.69	112.76	112.49	112.54
USDCHF	0.9969	0.9984	0.9959	0.9967
USDCNH	6.89	6.89	6.88	6.89

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	20,934.55	(0.10)
S&P 500	2,378.25	(0.13)
FTSE 100	7,424.96	0.12
DAX	12,095.24	0.10
NIKKEI 225*	19,521.59	(0.35)
HANGSENG*	24,462.94	0.63

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
20-Mar	07 00	EU	Producer Price Index (MoM)	Feb	-	0.20%	0.70%
21-Mar	00 30	AU	RBA Meeting's Minutes	-	-	-	-
21-Mar	09 30	UK	Consumer Price Index (YoY)	Feb	-	-	1.80%

FIXED INCOME

News

- > Treasury prices ended higher Friday, cementing a weekly decline for yields after the Federal Reserve on Wednesday failed to signal a more aggressive approach to future rate moves.
- > The yield on the 10-year Treasury note dropped 2.5 basis points to 2.506 percent, while the 2-year yield declined by 0.8 basis point to 1.316 percent.
- > Yields fell sharply Wednesday after the Fed delivered a widely expected quarter point increase but continued to forecast a total of three rate increases in 2017. Heading into the policy meeting, yields had risen, with the 10-year topping 2.61 percent, after ending last week at 2.582 percent, on fears the Fed might signal the potential for a total of four rate moves.

- > Meanwhile, shorter-maturity Treasury yields could see added pressure in the near term if inflation continues to hold near the 2 percent target of the Federal Reserve.
- > From the auction for Treasury Bills, the Bank of Mauritius received a total of 27 bids from which 5 were accepted for 91-days maturity at the weighted yield of 2.30 percent and nominal value of MUR 898.0 Mio. 3 bids were accepted for 182-days maturity at the weighted yield of 2.44 percent for nominal value of 367.3 Mio while 5 bids were accepted for 364-days maturity at the weighted yield of 2.58 percent and nominal value of MUR 734.7 Mio.

Market Highlights

Local Secondary Market

	Bid (%)	Offer (%)
Up to 30 days	1.90	1.40
31 to 60	2.20	1.70
61 to 90	2.35	2.10
91 to 135	2.40	-
136 to 180	2.45	2.20
181 to 240	2.50	2.25
241 to 300	2.55	-
301 to 364	2.60	2.35

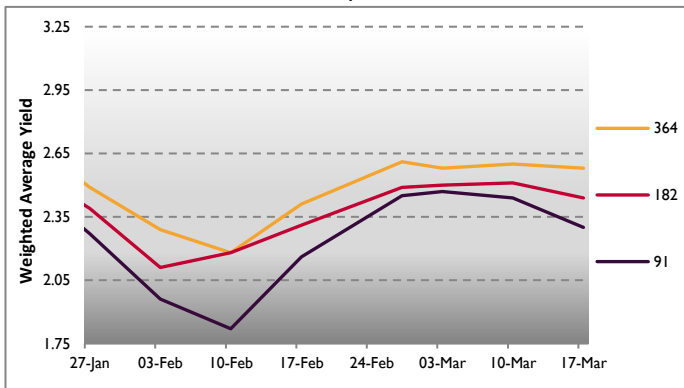
Government Benchmark Bond Yields (%)

	2 Year	5 Year	10 Year
US Bonds	1.321	2.020	2.501
UK Bonds	0.078	0.604	1.245
German Bonds	-0.773	-0.327	0.434

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	4.00	4.00
Feds Fund Rate	0.75 - 1.00	0.50 - 0.75
BoE Bank Rate	0.25	0.25
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.50	1.50

Local Treasury bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.409	-0.388	-0.354	-0.247
USD	0.946	0.976	1.152	1.432
GBP	0.238	0.256	0.344	0.498
EURIBOR	-0.380	-0.371	-0.329	-0.241

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.178	0.154	0.405	0.756
USD LIBOR - 3m	1.658	2.115	2.295	2.460

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

- > Oil prices maintained their downtrend as increasing US inventories fuelled doubts over the effectiveness of OPEC production cuts in reducing the ongoing global glut.
- > As per energy services firm Baker Hughes, US drillers added 14 oil rigs in the week to March 17, bringing the total count to the most since September 2015.
- > The weaker US dollar supported gold prices, which hit a session high of USD 1,235.43 an ounce.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	50.09	0.17	51.45	(0.35)
WTI Crude Oil (\$)	48.38	(0.49)	48.38	(0.49)
Gold (\$)	1,234.98	8.24	1,232.30	5.80
Silver (\$)	17.50	0.17	17.43	0.15