

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar fell broadly on Friday following a huge miss in US payrolls despite a drop in unemployment rate. The figures came shorter than expected, with the US economy adding 199,000 jobs, lower than the 400,000 expected. However, the unemployment rate improved, from 4.1 percent down to 3.9 percent, hitting a 22-month low.
- > This week will start with the EU publishing the January sentix investors confidence and November industrial production. The US will unveil the final readings of the CPI and retail sales for the month of December.
- > EUR/USD rallied to 1.1364 in the wake of the payrolls report, while showing little reaction after euro zone inflation rose to 5 percent in December.
- > The renewed dollar weakness after the mixed December Nonfarm Payrolls report helped GBP/USD higher to 1.3597 despite data showing growth in Britain construction sector cooled in December.
- > USD/JPY firmed slightly to 115.80 in Asian trade this morning amid thin trading as Japanese markets are closed today due to a public holiday.
- > South African rand traded at a high of 15.6250 against the dollar on Friday after a mixed US jobs report while the rand has also benefited last week from bets that the South African Reserve Bank will hike interest rates early this year.
- > The Bank of Mauritius published the Dissemination of the Mauritius Exchange Rate index, showing yet another depreciation of the local currency by 0.33 percent from November 2021 to December 2021.
- > The USD/MUR opens the week at MUR 43.55/USD on the offer, with the single currency trading in the surroundings of 1.1350. The market is expected to remain tight for this week, unless supported by an intervention from the Central Bank.

### Daily Technical View

EUR/USD - A mixed US December payrolls data hurt the greenback on Friday and enabled the EUR to trade to a session high of 1.1364. A clear break of the 1.1385 key resistance level is needed for further upside progress towards 1.1525, the 100-DMA technical resistance level. On the downside near-term support starts at 1.1310 level, with 1.1270 the pivot area to hold to keep the current mild bullish momentum.

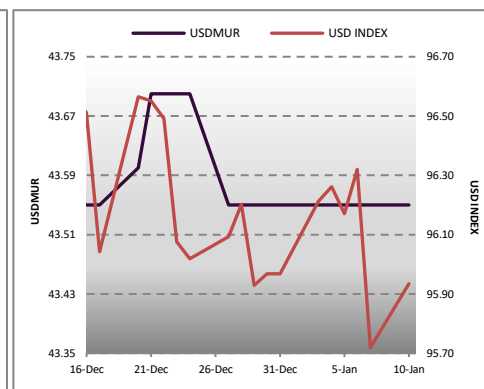
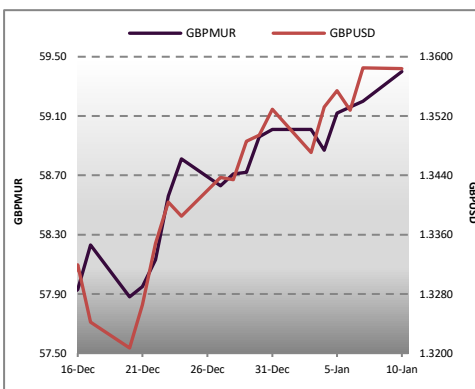
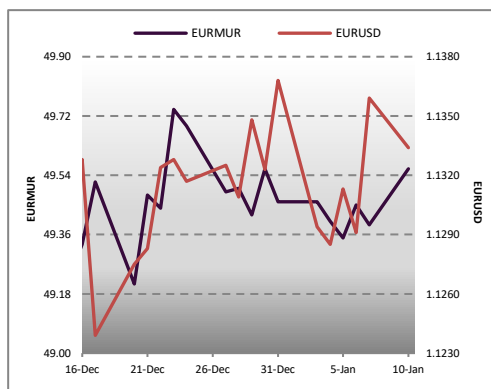
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.53	0.13	31.75	0.13
CNYMUR	6.68	0.01	7.02	0.01
EURMUR	48.12	0.17	49.56	0.17
JPYMUR	36.46	0.02	37.92	0.02
ZARMUR	2.69	0.02	2.86	0.02
USDMUR	42.65	-	43.55	-
GBPMUR	57.67	0.19	59.40	0.20

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.52	30.50	30.46	31.78	31.85	31.94
EURMUR	48.11	48.09	48.03	49.62	49.76	49.98
ZARMUR	2.67	2.63	2.57	2.86	2.86	2.85
USDMUR	42.63	42.59	42.45	43.58	43.66	43.75
GBPMUR	57.65	57.60	57.41	59.44	59.52	59.60



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7158	0.7197	0.7173	0.7193
EURUSD	1.1351	1.1360	1.1333	1.1335
GBPUSD	1.3585	1.3597	1.3577	1.3586
USDJPY	115.63	115.84	115.55	115.81
USDCHF	0.9190	0.9208	0.9187	0.9207
USDCNH	6.38	6.39	6.38	6.38

#### Major Indices

	Value at Close	Day Change %
DOW JONES	36,236.47	(0.01)
S&P 500	4,677.03	(0.41)
FTSE 100	7,485.28	0.47
DAX	15,947.74	(0.65)
CAC 40	7,219.48	(0.42)
NIKKEI 225	28,478.56	(0.03)
HANGSENG	23,688.82	0.83

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
11-Jan	00 30	AU	Retail Sales s.a. (MoM)	Nov	-	4.0%	4.9%
12-Jan	01 30	CN	Consumer Price Index (YoY)	Dec	-	1.8%	2.3%
12-Jan	13 30	US	CPI ex Food & Energy (YoY)	Dec	-	5.4%	4.9%
13-Jan	13 30	US	Initial Jobless Claims	Jan	-	210K	207K

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 posted their biggest weekly gains in years, helped by further advances in most rates on Friday as traders focused on positive elements of the December jobs report, which are likely to keep the Federal Reserve on an aggressive track toward tighter policy.

> The December jobs report showed that only 199,000 new jobs were created, significantly below the 422,000 gain expected, while the unemployment rate slipped to 3.9 percent from 4.2 percent. Nevertheless, the data contained enough positive elements such as a declining unemployment rate, higher average hourly earnings and job gains in previously hard-hit sectors like leisure to keep expectations intact for an aggressive start to the Federal Reserve's next rate-hike cycle.

> The yield on the 10-year US Treasury note gained 3.6 basis points, to 1.769 percent, while the 30-year Treasury bond yield rose by 2.3 basis points to 2.116 percent. The 2-year Treasury yield gave away 1.2 basis points to 0.868 percent, against 0.88 percent late Thursday afternoon. Still, it gained 13.8 basis points this week, the largest weekly gain since October 11, 2019.

> On Friday, the Bank of Mauritius held the auction for the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 700 Mio. The weighted average yield for this security was at 0.72 percent.

> The Bank of Mauritius also held the auction for the 91-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,500 Mio. The weighted average yields were published at 0.63 percent and 0.77 percent respectively.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.60	0.45
2M	0.65	0.50
3M	0.70	0.55
4M	0.72	0.57
6M	0.75	0.60
8M	0.78	0.63
10M	0.82	0.67
1Y	0.85	0.70

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	1.95	1.75
3 year	2.35	2.15
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.25	4.00
15 year	4.55	4.30
20 Year	4.85	4.60

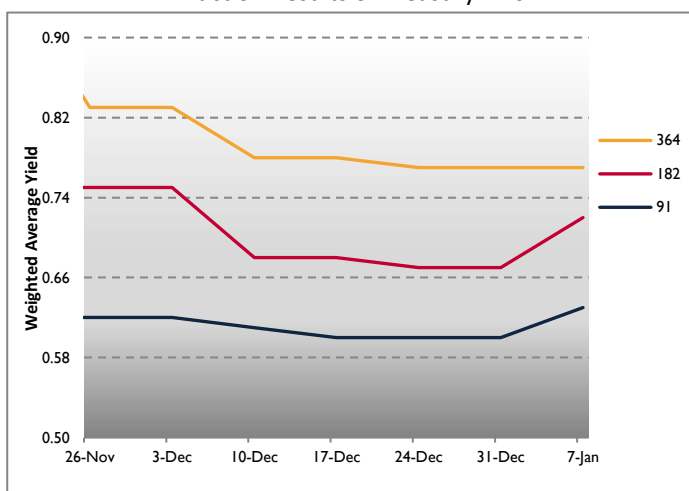
#### Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	1.85	1.85
Fed Funds Rate	0.00 - 0.25	0.00 - 0.25
BoE Bank Rate	0.25	0.10
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.10	0.10

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.8721	1.504
UK Bonds	0.821	0.989
German Bonds	-0.584	-0.378

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.105	0.236	0.376
GBP	-	0.252	0.486	0.813
EURIBOR	-0.574	-0.565	-0.576	-0.536

\* LIBOR rates delayed by 48 hours. Source: ICE

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.272	0.032	0.153	0.335
USD LIBOR - 3m	1.114	1.601	1.720	1.834

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

> Oil extended losses this morning during the Asian session as rapidly climbing cases of the Omicron Covid-19 variant hit economic activity, raising fuel demand concerns. However, losses were curbed by supply disruptions in Kazakhstan and Libya.

> Gold remained depressed this morning in Asia, hovering near a three-week low below the USD 1,790 level, hurt by the Federal Reserve's hawkish outlook and a slight improvement in global risk sentiment.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	83.04	0.35
Gold (\$)	1,793.54	(2.09)