

FOREIGN EXCHANGE MARKET

News

- > The US dollar recovered slightly on Tuesday from heavy losses against the yen, the euro, and the Swiss franc due to hopes for US economic stimulus and a bounce in Treasury yields. The US President Donald Trump stated that the White House will hold news conference later today about economic measures in response to the coronavirus outbreak.
- > The EUR dropped below the 1.1400 level against the USD pressured by the increased odds of a rate cut likely to be delivered by the European Central Bank this Thursday, which undermines the sentiment around the shared currency.
- > GBP/USD rallied to a 5-week high at 1.3200 before weakening to 1.3063 on speculation that the Bank of England will cut interest rates at its next meeting later this month.
- > USD/JPY retreated to a 39-month bottom at 101.19 in New York trade yesterday as entire US yield curve fell below 1 percent for the first time ever as well as sharp fall in US equities.
- > AUD/USD extends losses towards 0.6550 in Asian trade this morning amid downbeat NAB Business Survey, Chinese PPI figures and risk-off action in the Asian equities.
- > South African rand tumbled to a four-year low of 16.9850 per dollar, its lowest since February 2016, joining a global sell-off in riskier assets as the coronavirus outbreak continued to spread globally and oil prices collapsed.
- > The Canadian dollar tumbled to a near three-year low against its US counterpart on Monday as investors raised bets on further interest rate cuts from the Bank of Canada after the price of oil, one of Canada major exports, plunged by more than 20 percent.
- > The USD/MUR opens at the same levels as yesterday, while the EUR/MUR recedes 7 cents this morning, ahead of the Eurozone GDP due later today.

Daily Technical View

EUR/USD - Yesterday the pair traded in a volatile 1.1366-1.1495 range but multiple attempts to break above the key 1.1500 resistance failed and in Asia this morning the market has traded to a session low of 1.1373 as the greenback got support from a recovery in US yields. Although the technical picture is still bullish we may see a pullback towards 1.1300 before another upside attempt towards the year's high at 1.1495, only a drop below 1.1200 level would question the bullish view.

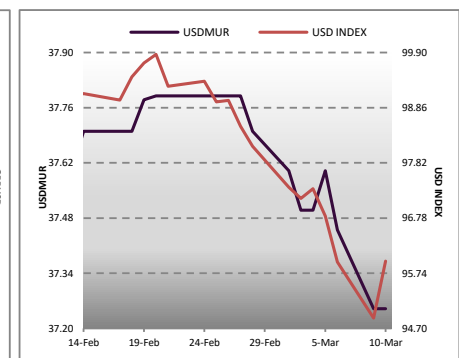
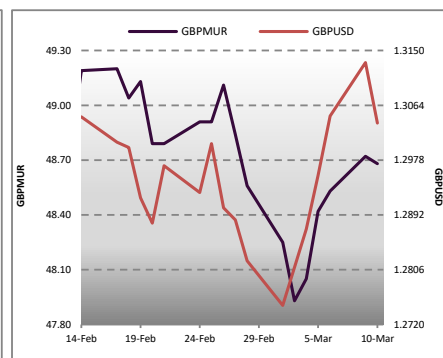
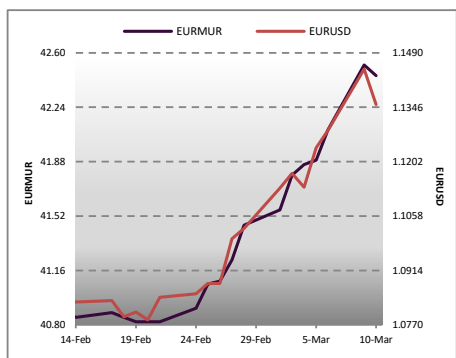
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.82	0.20	24.77	0.21
CNYMUR	5.23	-	5.50	-
EURMUR	41.21	(0.07)	42.45	(0.07)
JPYMUR	34.62	(0.43)	36.00	(0.45)
ZARMUR	2.24	0.04	2.39	0.05
USDMUR	36.35	-	37.25	-
GBPMUR	47.26	(0.04)	48.68	(0.04)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.82	23.84	23.87	24.80	24.87	24.99
EURMUR	41.27	41.40	41.60	42.54	42.72	43.02
ZARMUR	2.23	2.21	2.18	2.38	2.37	2.34
USDMUR	36.36	36.39	36.45	37.28	37.36	37.50
GBPMUR	47.29	47.36	47.47	48.73	48.87	49.09



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6589	0.6613	0.6545	0.6551
EURUSD	1.1445	1.1458	1.1333	1.1357
GBPUSD	1.3128	1.3132	1.3023	1.3039
USDJPY	102.36	105.03	102.02	104.65
USDCHF	0.9251	0.9373	0.9247	0.9369
USDCNH	6.95	6.95	6.93	6.93

Major Indices

	Value at Close	Day Change %
DOW JONES	25,864.78	(7.79)
S&P 500	2,746.56	(7.60)
FTSE 100	5,965.77	(7.69)
DAX	10,625.02	(7.94)
CAC 40	4,707.91	(8.39)
NIKKEI 225	19,765.87	0.30
HANGSENG	25,489.67	1.79

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
11-Mar	12 30	US	CPI ex Food & Energy (YoY)	Feb	-	2.3%	2.3%
12-Mar	12 45	EU	ECB Interest Rate Decision	-	-	0%	0%
13-Mar	07 00	DE	Harmonized Index of Consumer Prices	Feb	-	1.7%	1.7%
13-Mar	15 00	US	Michigan Consumer Sentiment Index	Mar	-	97	101

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

- > A flight to the perceived safety of US Treasuries drove yields deeper towards historic lows and pushed prices sharply higher as a breakdown in talks between major oil exporters sparked a potent decline in oil prices, delivering a shock to investors in assets considered risky, including stocks.
- > The rising number of COVID-19 cases in the US also threatened to hamper consumer demand, the linchpin of the US economy.
- > The 10-year US Treasury note yield dropped 20.8 basis points to 0.501 percent, while the 2-year note rate gave away 14.1 basis points to 0.345 percent, its lowest since October 2014.

- > Traders on the fed-fund futures markets are now expecting a one-in-two chance of the US Central Bank cutting interest rates all the way to zero by December. The rate-setting Federal Open Market Committee holds its two-day meeting March 17-18, coming after the Fed delivered an emergency half-percentage point cut on March 3.
- > During the week ended 6 March 2020, the Bank of Mauritius received applications for the 182-Day Government of Mauritius Treasury Certificates for a total amount of MUR 145 Mio at an interest rate of 2.25 percent.
- > Today, the Bank of Mauritius will hold the Monetary Policy Committee Meeting under the new leadership at the Bank.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	1.70	-
2M	1.70	-
3M	1.70	1.55
4M	1.75	-
6M	1.80	1.65
8M	2.00	-
10M	2.05	-
1Y	2.10	1.95

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.70	2.50
3 year	3.00	2.80
4 Year	3.10	2.90
5 Year	3.30	3.05
10 Year	4.00	3.75
15 year	4.55	4.30
20 Year	5.00	4.75

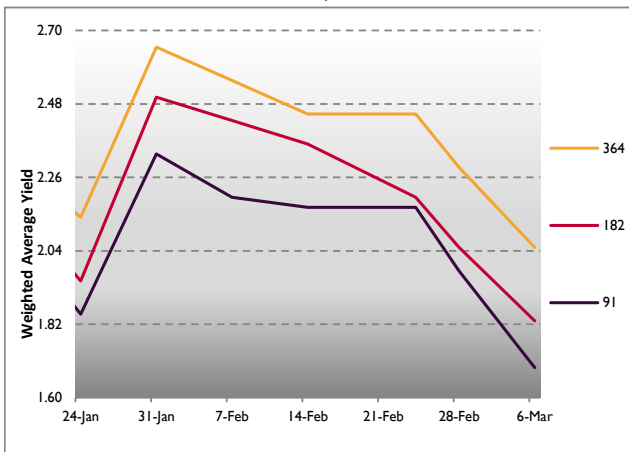
Key Central Bank Rates

	Current (%)	Previous (%)
BOM Repo Rate	3.35	3.35
Fed Funds Rate	1.00 - 1.25	1.50 - 1.75
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	0.50	0.75

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.4491	0.598
UK Bonds	0.087	0.108
German Bonds	-1.001	-0.984

Local Treasury Bills Market



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.566	-0.573	-0.518	-0.470
USD	1.075	0.862	0.896	0.880
GBP	0.600	0.559	0.518	0.525
EURIBOR	-0.520	-0.501	-0.473	-0.427

* LIBOR rates delayed by 48 hours. Source: ICE

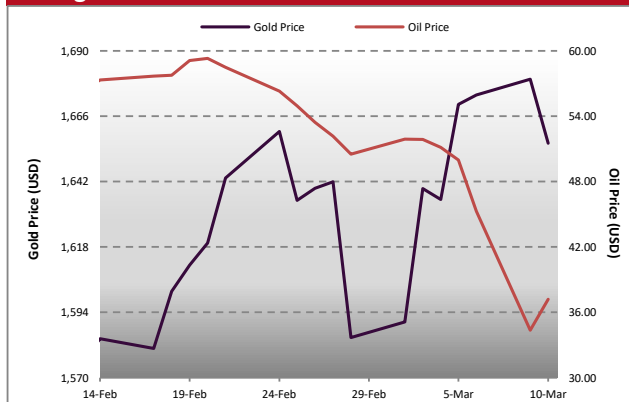
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.553	-0.502	-0.450	-0.348
USD LIBOR - 3m	0.541	0.659	0.706	0.728

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices posted a shy recovery yesterday while gains were short lived as oil demand continues to be hit by the economic impact of the coronavirus outbreak and price war launched by Saudi Arabia and Russia.
- > The yellow metal traded steady from the last session as investors weighed the loss in demand for the bullion from China's jewellery market, the largest in the world, versus the safe-haven buying on coronavirus fears.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	35.89	(10.26)
Gold (\$)	1,656.85	(22.75)