

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar weakened as investors remained cautious ahead of consumer price inflation data and retail sales data due later this week as well as Federal Reserve policy meeting next week.
- > EUR/USD rallied across the board and hit 1.1067 following news that Germany may set up public investment agencies to boost fiscal stimulus without breaching national spending rules.
- > The pound surged to a 5-week high at 1.2385 against the USD after the release of upbeat UK growth data along with easing fear of a no-deal Brexit.
- > The safe-haven yen touched a five-week low of 107.46 per dollar after the US President Trump indicated that the US will be talking to China next week and that China wants a deal.
- > AUD/USD remained strong with a weakening of the greenback as investors positioned themselves ahead of September 18th FOMC interest rate decision
- > South African rand rallied to a 5-week high on Monday on global demand for riskier assets as investors bet the Fed would cut lending rates next week.
- > The Canadian dollar strengthened to its highest level in nearly six weeks against its US counterpart on Monday as the price of oil rose and recent data bolstered investor confidence in the domestic economy.
- > The US Dollar opens 3 cents lower this morning against the Rupee, while the Pound Sterling gains 1 cent, with the UK Unemployment data in the pipeline for today.

### Daily Technical View

EUR/USD - The EUR traded to a session high of 1.1067 against the USD on news that the German government was contemplating extra fiscal stimulus in the 2020 budget but it pulled back to 1.1040 in Asia this morning as market players were cautious ahead of this week big event risk, the ECB monetary meeting on Thursday. Intra-day support at 1.0990/1.1010 area needs to hold for further upside probe towards 1.1085/1.1130 resistance levels.

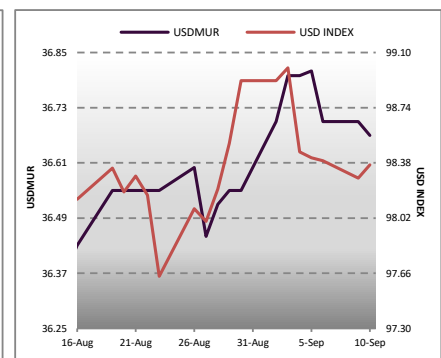
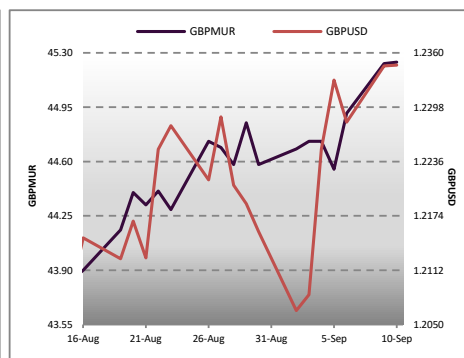
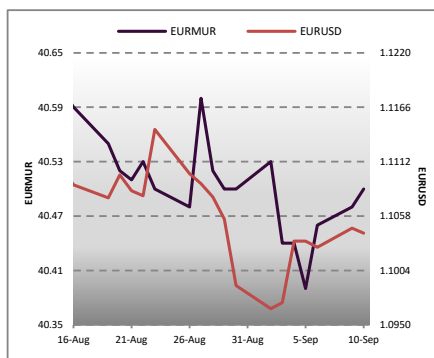
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.41	0.11	25.39	0.12
CNYMUR	5.02	0.02	5.28	0.02
EURMUR	39.32	0.02	40.50	0.02
JPYMUR	32.97	(0.15)	34.29	(0.15)
ZARMUR	2.39	0.02	2.51	0.02
USDMUR	35.77	(0.03)	36.67	(0.03)
GBPMUR	43.92	0.01	45.24	0.01

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.43	24.49	24.59	25.44	25.57	25.76
EURMUR	39.41	39.62	39.96	40.62	40.90	41.34
ZARMUR	2.38	2.36	2.33	2.50	2.49	2.48
USDMUR	35.78	35.81	35.90	36.70	36.79	36.98
GBPMUR	43.98	44.12	44.36	45.33	45.55	45.90



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6861	0.6868	0.6851	0.6857
EURUSD	1.1045	1.1051	1.1041	1.1044
GBPUSD	1.2345	1.2355	1.2336	1.2348
USDJPY	107.23	107.49	107.19	107.36
USDCHE	0.9921	0.9931	0.9916	0.9924
USDCNH	7.12	7.12	7.11	7.12

#### Major Indices

	Value at Close	Day Change %
DOW JONES	26,797.46	0.14
S&P 500	2,978.43	(0.01)
FTSE 100	7,235.81	(0.64)
DAX	12,226.10	0.01
CAC 40	5,588.95	(0.00)
NIKKEI 225	21,377.58	0.01
HANGSENG	26,684.03	0.01

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
6-Sep	09 00	EU	Gross Domestic Product s.a. (YoY)	Q2	1.20%	1.1%	1.3%
6-Sep	12 30	US	Nonfarm Payrolls	Aug	130K	158K	164K
10-Sep	01 30	CN	Consumer Price Index (YoY)	Aug	2.8%	2.6%	2.8%
10-Sep	08 30	UK	ILO Unemployment Rate (3M)	Jul	-	3.9%	3.9%

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

- > Treasury yields traded higher yesterday, as investors looked past downbeat China data over the weekend to focus on stimulus prospects ahead of this week's European Central Bank meeting.
- > China over the weekend announced that its global exports fell by 3 percent to USD 214.8 billion, while imports rose 1.7 percent to USD 180 billion. For the first eight months of 2019, exports were off by 1 percent from a year earlier and imports were down 5.6 percent.
- > The ECB is widely expected to cut interest rates when policy makers meet Thursday, pushing its deposit rate further into negative territory, while possibly moving to restart a bond-buying program that it completed in December.

- > The yield on the 10-year US Treasury gained 8 basis points to 1.632 percent, its highest since August 13, while the 2-year increased rose by 5.7 basis points at 1.585 percent, its highest since August 22.
- > The results of the Bank of Mauritius Treasury Bills were as follows: the weighted average yields were published at 2.69 percent, 3.03 percent and 3.15 percent for the 91-Day, 182-Day and 364-Day Bank of Mauritius Treasury Bills respectively. The bid to cover ratio was at 2.53.
- > During the week ended 06 September 2019, the Central Bank received applications for 182-Day Government of Mauritius Treasury Certificates, for a total amount of MUR 65.0 Mio, at an interest of 3.24 percent.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	2.70	-
2M	2.75	-
3M	2.80	2.65
4M	2.95	-
6M	3.05	2.90
8M	3.10	-
10M	3.15	-
1Y	3.20	3.05

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.55	3.35
3 year	3.70	3.50
4 Year	3.90	3.70
5 Year	4.10	3.85
10 Year	4.50	4.25
15 year	5.05	4.80
20 Year	5.65	5.40

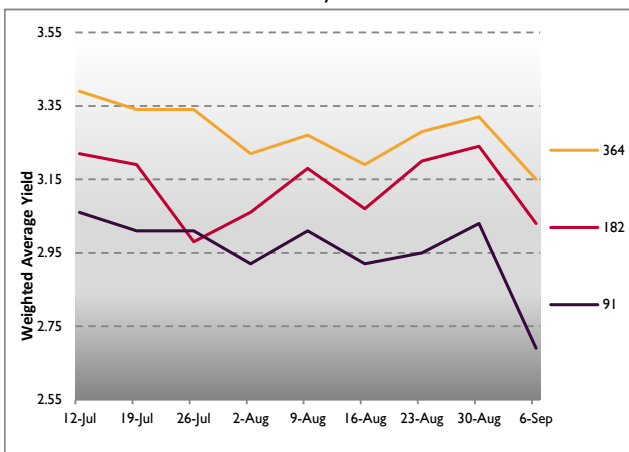
#### Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.35	3.50
Fed Funds Rate	2.00 - 2.25	2.25 - 2.50
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.00	1.00

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	1.597	1.497
UK Bonds	0.423	0.406
German Bonds	-0.827	-0.865

#### Local Treasury Bills Market



#### Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.461	-0.510	-0.481	-0.457
USD	2.133	2.050	2.138	2.036
GBP	0.692	0.710	0.767	0.817
EURIBOR	-0.403	-0.452	-0.437	-0.423

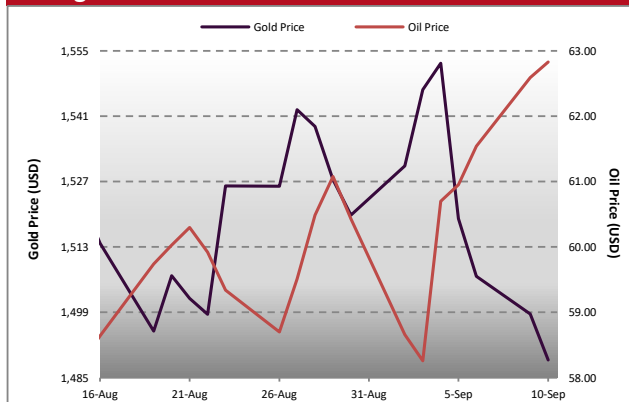
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.587	-0.540	-0.426	-0.223
USD LIBOR - 3m	1.592	1.442	1.461	1.536

\*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 peaked to a 6-week high yesterday, rising for a fifth day in a row on optimism that OPEC and other countries may agree to extend production cuts in a bid to support prices with the announcement from the newly appointed Saudi energy minister Prince Abdul-Aziz bin Salman who hinted his support for same.
- > Gold prices tumbled overnight on positive trade development between the US and China, which sent stocks higher, making the yellow metal to lose some of its safe-haven appeal. Elsewhere the Chinese central bank raised its gold holdings to 62.45 million ounces in August from 62.26 million a month earlier.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	64.80	3.22	62.85	0.26
Gold (\$)	1,489.02	(9.63)	1,488.00	(14.20)