

FOREIGN EXCHANGE MARKET

News

- > The greenback rose against most of its peers on Monday, holding near a six-week high as fresh worries about US and China trade tensions and global growth drove appetite for safe-haven assets.
- > This week investors will get an update on US inflation figures after the Federal Reserve indicated that it will be patient as it considers whether to continue hiking interest rates.
- > The euro hovered at a two-week low, with EUR/USD at 1.1328. The single currency still posted its steepest weekly drop against the dollar in over four months in the wake of data that showed an economic slowdown in Europe was spreading.
- > The GBP/USD pair remained subdued trading around 1.2930 while traders expect the pound to remain volatile because of the uncertainty surrounding Brexit.
- > The USD gained against the JPY while the Japanese banks are closed today amid a local holiday.
- > The Canadian dollar strengthened against the greenback on Friday as stronger-than-expected domestic jobs data helped the currency rebound from an earlier two-week low.
- > The Bank of Mauritius intervened on the domestic foreign exchange market on 07 Feb 2019 and purchased a total amount of USD 30 Mio at the rate of MUR 34.30/USD.
- > The US dollar gains two cents this morning, opening at Rs34.00 on the bid, a level last seen in December 2018.

Daily Technical View

EUR/USD - The USD relentless rally against the EUR continued for a seventh consecutive session, pushing the single currency to a low of 1.1320 on Friday on renewed weakness in the Italian debt market. The Year low at 1.1290 is under threat as well as the key technical support at 1.1265, a break would target 1.1180/1.1215 levels while on the upside 1.1390/1.1425 area is likely to cap counter-trend rallies.

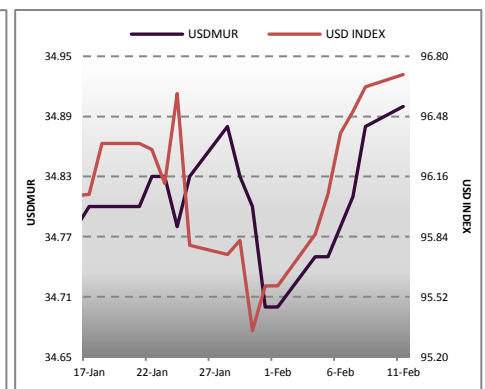
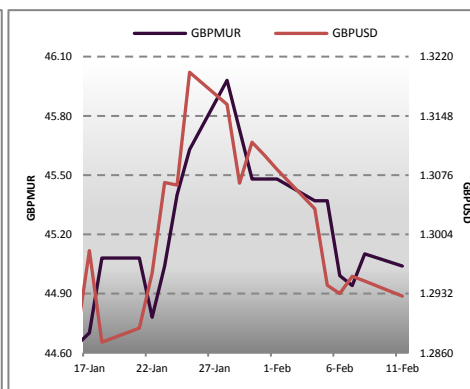
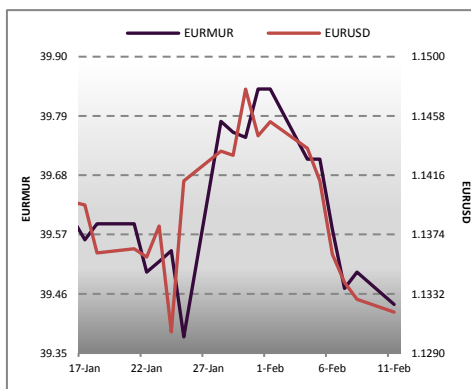
Market Highlights

Indicative Spot Rates

| | Bid | | Offer | |
|--------|-------|--------------|-------|--------------|
| | Today | Change (Rs.) | Today | Change (Rs.) |
| AUDMUR | 24.01 | 0.09 | 24.97 | 0.09 |
| CNYMUR | 5.00 | - | 5.26 | - |
| EURMUR | 38.29 | (0.06) | 39.44 | (0.06) |
| JPYMUR | 30.61 | (0.05) | 31.83 | (0.06) |
| ZARMUR | 2.46 | 0.01 | 2.58 | 0.01 |
| USDMUR | 34.00 | 0.02 | 34.90 | 0.02 |
| GBPMUR | 43.73 | (0.06) | 45.04 | (0.06) |

Indicative Forward Rates

| | Bid | | | Offer | | |
|--------|-------|-------|-------|-------|-------|-------|
| | 1m | 3m | 6m | 1m | 3m | 6m |
| AUDMUR | 24.01 | 24.02 | 24.04 | 25.00 | 25.07 | 25.19 |
| EURMUR | 38.39 | 38.58 | 38.89 | 39.56 | 39.82 | 40.25 |
| ZARMUR | 2.45 | 2.43 | 2.40 | 2.57 | 2.56 | 2.54 |
| USDMUR | 34.00 | 33.99 | 34.00 | 34.92 | 34.97 | 35.06 |
| GBPMUR | 43.80 | 43.92 | 44.13 | 45.14 | 45.33 | 45.66 |



Previous Day Trading Levels

| | Previous Day Trading Levels | | | Today |
|--------|-----------------------------|--------|--------|--------|
| | Opening | High | Low | Latest |
| AUDUSD | 0.7085 | 0.7108 | 0.7083 | 0.7093 |
| EURUSD | 1.1327 | 1.1329 | 1.1313 | 1.1320 |
| GBPUSD | 1.2948 | 1.2955 | 1.2926 | 1.2930 |
| USDJPY | 109.82 | 110.01 | 109.70 | 109.96 |
| USDCHF | 0.9998 | 1.0097 | 0.9990 | 1.0003 |
| USDCNH | 6.79 | 6.79 | 6.77 | 6.79 |

Today

Major Indices

| | Value at Close | Day Change % |
|------------|----------------|--------------|
| DOW JONES | 25,169.53 | (0.25) |
| S&P 500 | 2,707.88 | 0.07 |
| FTSE 100 | 7,071.18 | (0.32) |
| DAX | 10,906.78 | (1.05) |
| CAC 40 | 4,961.64 | (0.48) |
| NIKKEI 225 | 20,333.17 | (2.01) |
| HANGSENG | 28,020.59 | 0.27 |

Major Economic Releases (at GMT)

| Date | Time | Country | Event | Period | Actual | Expected | Prior |
|--------|-------|---------|---------------------------------------|--------|--------|----------|-------|
| 11-Feb | 09 30 | UK | Gross Domestic Product (QoQ) | Q4 | - | 0.2% | 0.6% |
| 13-Feb | 01 00 | NZ | RBNZ Interest Rate Decision | - | - | 1.75% | 1.75% |
| 13-Feb | 09 30 | UK | Consumer Price Index (YoY) | Jan | - | 2.0% | 2.1% |
| 13-Feb | 13 30 | US | Consumer Price Index ex Food & Energy | Jan | - | 2.1% | 2.2% |

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

- > Treasury prices firmed on Friday, extending the weekly decline in yields, as waning hope for a swift resolution to a trade agreement between the US and China dampened appetite for stocks, and stoked inflows into haven assets like government paper.
- > Jitters around the health of the global economy also weighed on sentiment as growth forecasts for major economies were cut, drawing investors into haven assets like government paper.
- > The 10-year US Treasury note yield dropped 2 basis points to 2.632 percent, contributing to a 5.8 basis point weekly decline, the 2-year note yield fell 1.6 basis points to 2.463 percent, adding to a 4.5 basis-point weekly decline.

- > The result of the 364-Day Government of Mauritius Treasury Bills was as follows: out of 7 bids received, only 3 were successful, with a weighted average yield of 3.63 percent.
- > As for the 91-Day and 182-Day, the weighted average yields were published at 3.28 percent and 3.49 percent respectively.

Market Highlights
Local Secondary Market T-Bills

| | Bid (%) | Offer (%) |
|-----|---------|-----------|
| 1M | 3.07 | - |
| 2M | 3.17 | - |
| 3M | 3.28 | 3.13 |
| 4M | 3.39 | - |
| 6M | 3.50 | 3.35 |
| 8M | 3.54 | - |
| 10M | 3.59 | - |
| 1Y | 3.63 | 3.48 |

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

Local Secondary Market T-Bonds

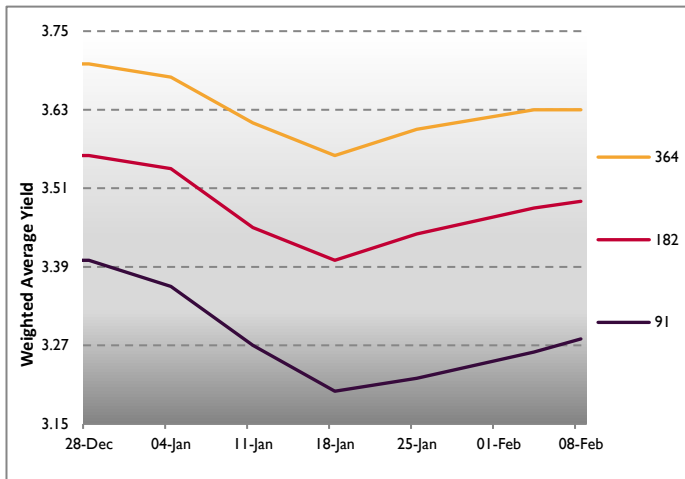
| | Bid (%) | Offer (%) |
|---------|---------|-----------|
| 2 year | 3.95 | 3.75 |
| 3 year | 4.15 | 3.95 |
| 4 Year | 4.45 | 4.25 |
| 5 Year | 4.95 | 4.70 |
| 10 Year | 5.50 | 5.25 |
| 15 year | 6.10 | 5.85 |
| 20 Year | 6.20 | 5.95 |

Key Central Bank Rates

| | Current Level (%) | Previous (%) |
|----------------|-------------------|--------------|
| BOM Repo Rate | 3.50 | 3.50 |
| Fed Funds Rate | 2.25 - 2.50 | 2.25 - 2.50 |
| BoE Bank Rate | 0.75 | 0.75 |
| ECB Ref. Rate | 0.0 | 0.0 |
| RBA Cash Rate | 1.50 | 1.50 |

Government Benchmark Yields (%)

| | 2 Year | 5 Year |
|--------------|--------|--------|
| US Bonds | 2.4671 | 2.445 |
| UK Bonds | 0.709 | 0.799 |
| German Bonds | -0.58 | -0.409 |

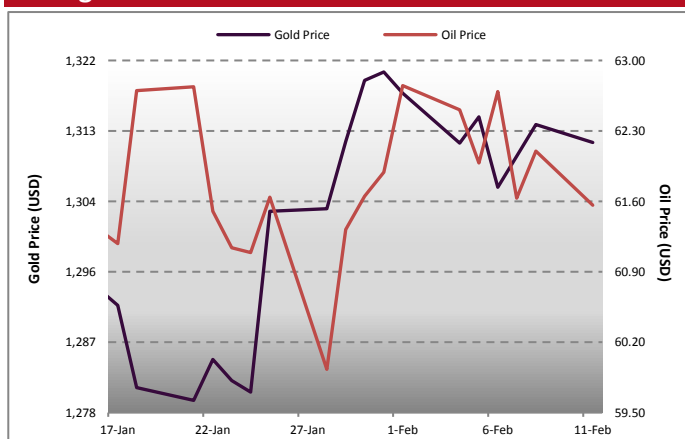
Local Treasury Bills Market

Money Market Rates

| LIBOR (%) | 1 Week | 1 Month | 3 Months | 6 Months |
|-----------|--------|---------|----------|----------|
| EUR | -0.450 | -0.419 | -0.332 | -0.296 |
| USD | 2.408 | 2.504 | 2.698 | 2.742 |
| GBP | 0.699 | 0.732 | 0.883 | 1.007 |
| EURIBOR | -0.372 | -0.368 | -0.308 | -0.233 |

Indicative Generic Swap Rates* (%)

| Tenor | 2yr | 5yr | 7yr | 10yr |
|----------------|--------|-------|-------|-------|
| EURIBOR - 3m | -0.227 | 0.036 | 0.254 | 0.569 |
| USD LIBOR - 3m | 2.590 | 2.510 | 2.550 | 2.646 |

*Pay fixed and receive floating swap

COMMODITIES
Rolling Gold & Oil Prices


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News

- > Gold prices start the week on a stable note, still trading above the USD 1,300.0 level, as traders are waiting for any clue on the US-China trade war resolution. This week focus will be the release of a bunch of data from the US with mainly inflation and jobs data as from Wednesday.
- > Crude oil prices were trading slightly higher in the last session on Friday but recorded a 5 percent drop over the week as worries over a global economic slowdown dominated sentiment. Data release this week by the IEA on global oil supply and demand will help provide guidance on the direction for oil prices.

| | Spot Market | | Futures Market | |
|----------------------|-------------|-------------|----------------|-------------|
| | Today | Change (\$) | Today | Change (\$) |
| Brent Crude Oil (\$) | 61.48 | 0.37 | 61.56 | (0.54) |
| Gold (\$) | 1,311.94 | (2.05) | 1,310.70 | (3.00) |