

FOREIGN EXCHANGE MARKET

News

- > The dollar turned higher against a basket of major currencies on Friday after a dismal December US payrolls data raised expectation for further stimulus measures to prop up an economy battered by the coronavirus and its related government lockdown measures.
- > Big gains in US Treasury yields is also drawing bids to the oversold safe-haven US dollar and pushing the EUR/USD lower.
- > The GBP/USD pair dipped, undermined by coronavirus developments in the UK and increasing speculation that the Bank of England may soon cut rates into negative territory to support the recovery.
- > The USDJPY pair rises for the fourth consecutive day despite the coronavirus risks as hopes of the US fiscal stimulus gain momentum.
- > AUD/USD remains under intense selling pressure despite upbeat Chinese inflation figures as a stronger greenback amid US-Sino tensions weighed on the Aussie.
- > The Canadian dollar weakened against its US counterpart as domestic data showed the first jobs decline since April.
- > The South Africa rand firmed against the dollar on Friday, recovering ground after a torrid week in which the country recorded a peak in daily Covid-19 infections and doubts over its vaccine supplies came to the fore.
- > The Bank of Mauritius published the Mauritian Rupee Index, depicting a rise in the MERI 1 from 115.804 to 116.049, a 0.21 percent depreciation of the Rupee.
- > The USD/MUR gains 10 cents this morning on the offer to trade at MUR 39.95/USD, with the single currency dropping below the 1.22 handle this morning. More activity is expected on the local market with most companies resuming their normal business course.

Daily Technical View

EUR/USD - The EUR tumbled to a session low of 1.2168 against the USD in Asia this morning as the greenback was buoyed by rising US yields, with US 10-Y yields trading at 1.12 percent. Intra-day a clear breach of 1.2160 will target 1.2060/1.2120 whereas on the upside 1.2215 is nearby resistance and 1.2290 the level to regain to alleviate current bearishness in the pair.

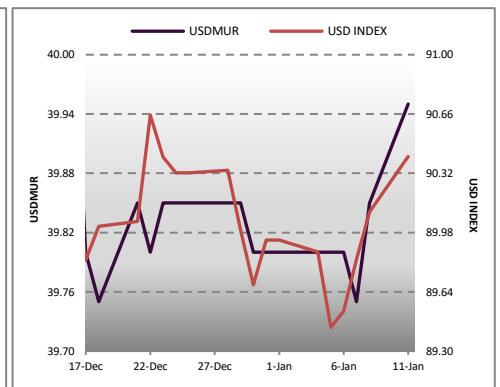
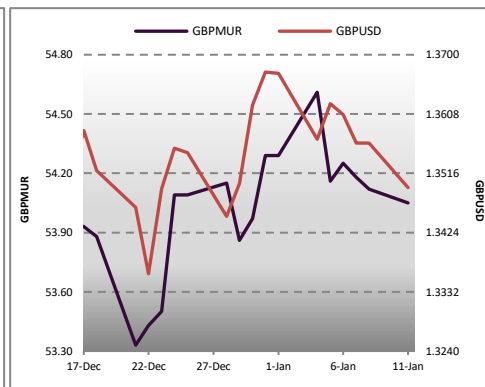
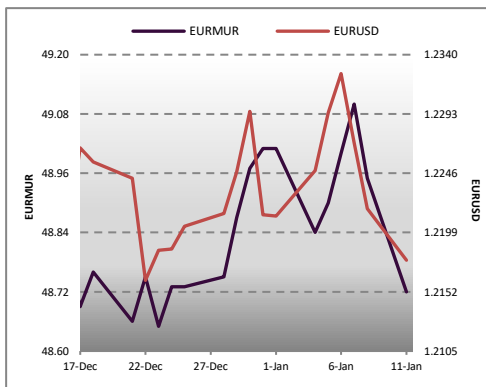
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.95	(0.13)	31.15	(0.13)
CNYMUR	6.01	(0.01)	6.32	(0.01)
EURMUR	47.30	(0.22)	48.72	(0.23)
JPYMUR	37.11	(0.02)	38.59	(0.03)
ZARMUR	2.49	0.01	2.65	0.01
USDMUR	39.05	0.10	39.95	0.10
GBPMUR	52.48	(0.06)	54.05	(0.07)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.94	29.92	29.89	31.17	31.23	31.28
EURMUR	47.29	47.26	47.21	48.77	48.87	49.04
ZARMUR	2.47	2.44	2.40	2.65	2.65	2.65
USDMUR	39.03	38.98	38.89	39.97	40.01	40.08
GBPMUR	52.47	52.44	52.36	54.08	54.14	54.24



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7755	0.7766	0.7694	0.7700
EURUSD	1.2215	1.2225	1.2167	1.2182
GBPUSD	1.3565	1.3566	1.3492	1.3500
USDJPY	103.88	104.21	103.85	104.18
USDCHF	0.8849	0.8890	0.8850	0.8882
USDCNH	6.46	6.49	6.46	6.48

Major Indices

Major Indices	Value at Close	Day Change %
DOW JONES	3,824.68	0.55
S&P 500	6,873.26	0.24
FTSE 100	14,049.53	0.58
DAX	5,706.88	0.65
NIKKEI 225	28,139.03	2.36
HANGSENG	27,953.98	0.27

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
8-Jan	13 30	US	Nonfarm Payrolls	Dec	-140K	71K	336K
8-Jan	13 30	CA	Unemployment Rate	Dec	8.6%	8.6%	8.5%
13-Jan	10 00	EU	Industrial Production s.a. (MoM)	Nov	-	0.3%	2.1%
13-Jan	13 30	US	CPI ex Food & Energy (MoM)	Dec	-	0.1%	0.2%

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

FIXED INCOME

News

- > US Treasury yields surged on Friday, after the monthly employment report from the Labour Department showed job losses in December for the first time since the last spring, reflecting the growing economic distress due to the third wave of coronavirus cases across America.
- > The US Labour Department shed 140,000 jobs in December, worse than the 50,000 job gains expected last month. The unemployment rate was unchanged at 6.7 percent, while average hourly earnings jumped 0.8 percent. Yields continued to move higher amid hopes the worse-than-expected jobs report could strengthen the case for additional fiscal aid from the incoming Biden administration.

- > Over the last week, the Bank of Mauritius received applications for the 182-Day Government of Mauritius Treasury Certificates for a total amount of MUR 200 Mio at an interest rate of 0.52 percent.
- > The result of the 182-Day Government of Mauritius Treasury bills issued on Friday was as follows: out of 8 bids received, only 1 was successful, with a weighted average yield of 0.30 percent.
- > As for the 91-Day and 364-Day Bank of Mauritius Treasury Bills, the weighted average yields were published at 0.25 percent and 0.40 percent respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.30	0.15
2M	0.30	0.15
3M	0.30	0.15
4M	0.32	0.17
6M	0.35	0.20
8M	0.38	0.23
10M	0.42	0.27
1Y	0.45	0.30

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	1.00	0.80
3 year	1.30	1.10
4 Year	1.35	1.15
5 Year	1.55	1.30
10 Year	2.35	2.10
15 year	2.80	2.55
20 Year	3.10	2.85

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	0.10	0.10
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.25	0.25

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.1369	0.487
UK Bonds	-0.041	-0.04
German Bonds	-0.703	-0.731

Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.578	-0.595	-0.571	-0.536
USD	0.102	0.126	0.224	0.247
GBP	0.037	0.029	0.027	0.034
EURIBOR	-0.561	-0.555	-0.550	-0.530

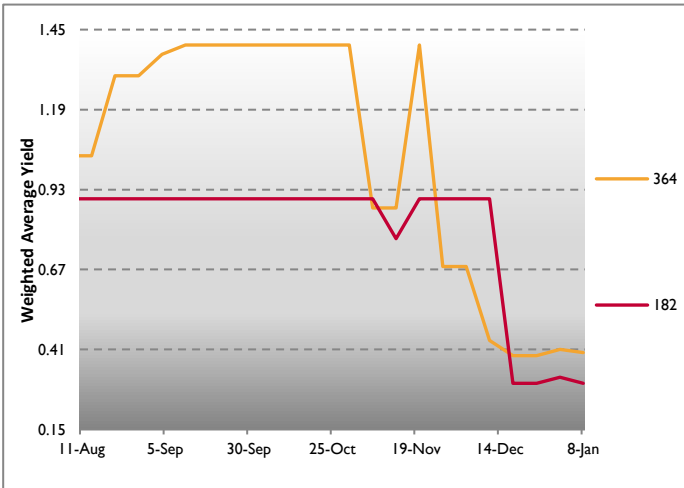
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.528	-0.473	-0.390	-0.242
USD LIBOR - 3m	0.239	0.550	0.820	1.128

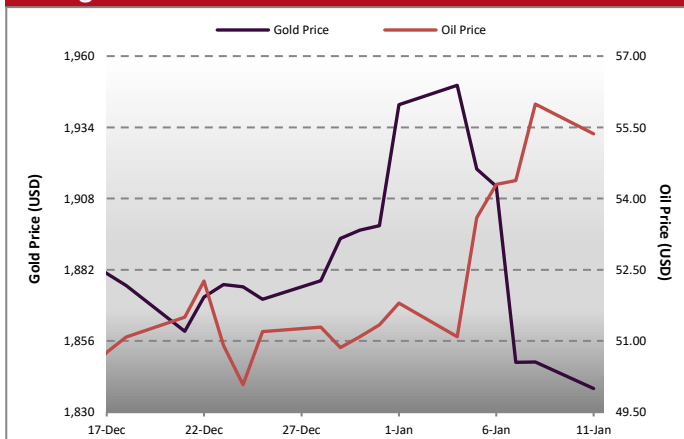
*Pay fixed and receive floating swap

Auction Results of Treasury Bills



COMMODITIES

Rolling Gold & Oil Prices



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Source: MCB Treasury, Reuters, Bloomberg, Bank of Mauritius

News

- > Oil prices gained 8 percent last week, with Brent crude ending at USD 55.99 per barrel and WTI closing at USD 52.24/barrel as Saudi Arabia surprised the market with an additional production cut. The positive mood was however slowed down by renewed worries about demand.
- > Gold and Silver dropped in tandem as markets participants moved out of their safe haven trades amid lower political risks in the US and rallying Treasury yields.
- > Spot gold plunged to USD 1,816.53 per ounce, its lowest level in more than a month while Silver dived to USD 24.30, a near one-month low.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	55.28	1.05
Gold (\$)	1,842.90	(5.41)