

FOREIGN EXCHANGE MARKET

News

- > The greenback gained across the board on Monday as US and Mexico trade tensions eased after US President Donald Trump withdrew trade tariffs on Mexico.
- > The EUR/USD retreated from a high of 1.1347 amid reports suggesting that the European Central Bank is worried about the exchange rate and might consider an interest rate cut.
- > The GBP/USD fell to 1.2650, following the release of disappointing UK data. The UK GDP dropped by 0.4 percent in April, far worse than expected while the industrial production decreased by 1.0 percent.
- > USD/JPY edged higher on Monday as markets move out of safe havens following a more upbeat outlook for trade negotiations between China and the US.
- > South African was firmer against the dollar, recovering some ground on Monday after steep losses seen last week.
- > Unexpected Chinese import data dragged the Aussie dollar down yesterday against the US dollar and the pair is further falling today with 0.6950 in sight.
- > The Loonie is on a four-day winning streak against the US dollar as of writing with the pair hovering over the 1.3260 level.
- > The US dollar opens 15 cents higher against the rupee trading at 36.00 on the ask side, while the single currency gains 19 cents this morning.

Daily Technical View

EURUSD - The pair moved in a 20 pips range yesterday and for today looking for a test of 1.1350/65 area to keep the current bull ish momentum and 1.1265 holding the downside.

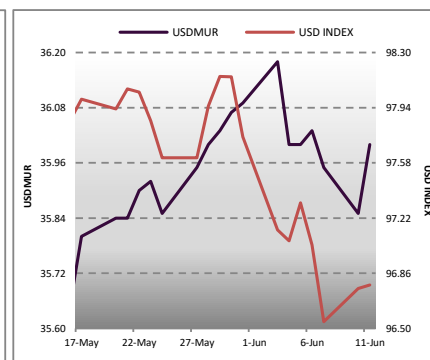
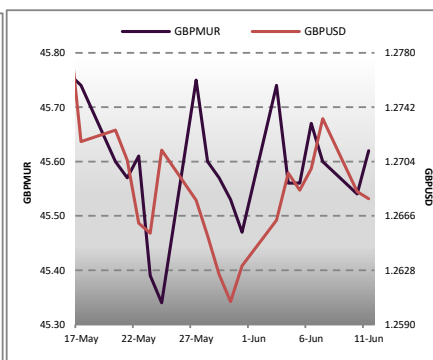
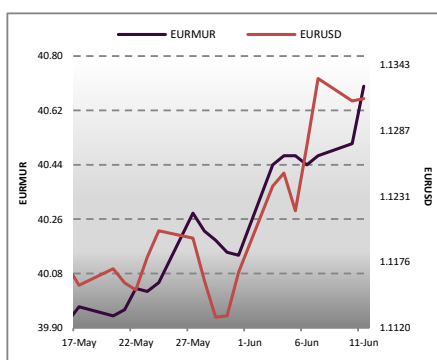
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.30	0.05	25.27	0.05
CNYMUR	5.06	0.04	5.32	0.04
EURMUR	39.51	0.18	40.70	0.19
JPYMUR	32.00	0.14	33.28	0.15
ZARMUR	2.34	0.04	2.46	0.04
USDMUR	35.10	0.15	36.00	0.15
GBPMUR	44.29	0.08	45.62	0.08

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.32	24.35	24.42	25.32	25.41	25.58
EURMUR	39.60	39.80	40.13	40.82	41.09	41.53
ZARMUR	2.33	2.31	2.28	2.45	2.44	2.42
USDMUR	35.10	35.10	35.13	36.02	36.08	36.20
GBPMUR	44.35	44.49	44.71	45.71	45.92	46.26



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6962	0.6966	0.6948	0.6953
EURUSD	1.1310	1.1318	1.1308	1.1318
GBPUSD	1.2684	1.2699	1.2678	1.2681
USDJPY	108.43	108.63	108.36	108.60
USDCHF	0.9896	0.9903	0.9893	0.9904
USDCNH	6.94	6.95	6.93	6.93

Major Indices

Major Indices	Value at Close	Day Change %
DOW JONES	25,983.94	0.30
S&P 500	2,886.73	0.47
FTSE 100	7,375.54	0.59
DAX	12,045.38	0.77
CAC 40	5,382.50	0.34
NIKKEI 225	21,194.42	0.28
HANGSENG	27,774.96	0.71

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
11-Jun	08 30	UK	Average Earnings ex Bonus (3Mo/Yr)	Apr	-	3.3%	3.3%
11-Jun	12 30	US	Producer Price Index ex Food & Energy	May	-	2.3%	2.4%
12-Jun	12 30	US	Consumer Price Index ex Food & Energy	May	-	2.1%	2.1%
13-Jun	01 30	AU	Unemployment Rate s.a.	May	-	5.1%	5.2%

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

- > Treasury prices came under pressure yesterday, pushing yields higher, as investors jumped into stocks and out of government paper, following the apparent end of the Trump administration's tariff threat against Mexico.
- > On Friday, President Donald Trump announced that he had declined to place tariffs on Mexican imports, which he had threatened as a way to stanch the flow of migrants to the US southern border.
- > Group of 20 finance leaders during the weekend pledged to protect the global economy amid growing concerns around trade tensions. US Treasury Secretary Steven Mnuchin stated that he had a "constructive" talk with People's Bank of China Governor Yi Gang.

- > The sharp rise in global equities on the wave of trade optimism helped weigh on appetite for government paper. The Stoxx Europe 600 gained 0.2 percent, while the Japan Topix index booked a gain of 1.3 percent. The S&P 500 and the Nasdaq Composite were on track to string together a five-day winning streak.
- > The 10-year US Treasury note yield gained 5.9 basis points to 2.143 percent, while the 2-year note yield picked up 4.7 basis points to 1.900 percent.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	2.05	-
2M	2.15	-
3M	2.25	2.10
4M	2.40	-
6M	2.50	2.35
8M	2.58	-
10M	2.65	-
1Y	2.75	2.60

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.00	2.80
3 year	3.25	3.05
4 Year	3.45	3.25
5 Year	3.80	3.55
10 Year	4.50	4.25
15 year	5.20	4.95
20 Year	5.95	5.70

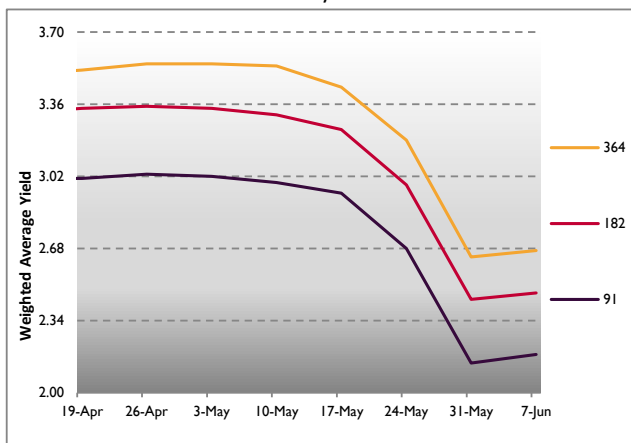
Key Central Bank Rates

	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	1.8932	1.909
UK Bonds	0.555	0.602
German Bonds	-0.658	-0.587

Local Treasury Bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.448	-0.416	-0.366	-0.328
USD	2.379	2.413	2.436	2.349
GBP	0.693	0.724	0.786	0.865
EURIBOR	-0.391	-0.381	-0.319	-0.256

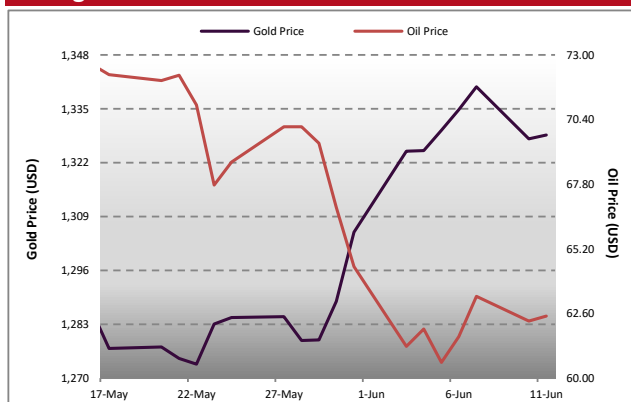
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.367	-0.203	-0.033	0.235
USD LIBOR - 3m	1.941	1.933	2.009	2.128

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

- > Gold prices posted minor gains this morning, after snapping an eight-day gain in the previous session, as expectations of interest rates cut by the Federal Reserve provided support to the commodity despite gains in Asian stocks.
- > The oil market kept stable overnight on expectation that producer group OPEC and its allies will keep withholding supply to prevent prices from tumbling amid a broad economic slowdown while Russian warned that oil prices could fall as low as USD 30 per barrel if producers supply too much.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	65.77	0.22	62.50	0.21
Gold (\$)	1,329.07	1.34	1,327.60	2.90