

FOREIGN EXCHANGE MARKET

News

- > The greenback ended higher across the board after the White House announced stimulus and fiscal support measures to combat the slowdown driven by the coronavirus along with strong recovery in US Treasury yields after hitting record lows on Monday.
- > Having touched 1.1495, the Euro fell back through 1.14 and 1.13 to touch 1.1277 on Tuesday ahead of the ECB meeting scheduled for tomorrow wherein the Central Bank is expected to announce easing measures.
- > The pound dropped to 1.2870 against the dollar ahead of the UK budget presentation despite expectations the country is set to deliver a big stimulus package and measures to help combat the Covid-19 outbreak.
- > The USD/JPY surged to 105.65 in late New York trade as the improvement in risk sentiment and higher US yields boosted the pair.
- > The Canadian dollar fell to a four-year low against its US counterpart on Tuesday as the greenback broadly rebounded, while a rally in oil was not enough to convince investors to turn more bullish on this commodity-linked currency.
- > South African rand was firmer early on Tuesday, recovering most of its losses as emerging markets broadly recovered from the heavy selling in the previous session triggered by a dive in oil prices and fear about the economic impact of the coronavirus.
- > The Bank of Mauritius intervened on the domestic foreign exchange market at the bid rate of MUR 37.50/USD.
- > The US Dollar opens at an all time high of MUR 38.10 on the offer this morning against the local currency, with the US inflation data due today.

Daily Technical View

EUR/USD - As expected the pair made the technical pullback towards 1.1300 level (Low 1.1277) before bouncing to a session high of 1.1337 in Asia this morning on a delay in the announcement of the US stimulus package to mitigate the impact of the coronavirus outbreak. Intra-day 1.1350 is nearby resistance, with break targeting 1.1430 whereas on the downside 1.1250 is first support with 1.1200 the key level to hold to prevent a downside resolution.

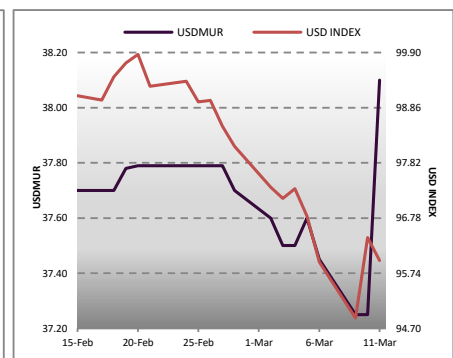
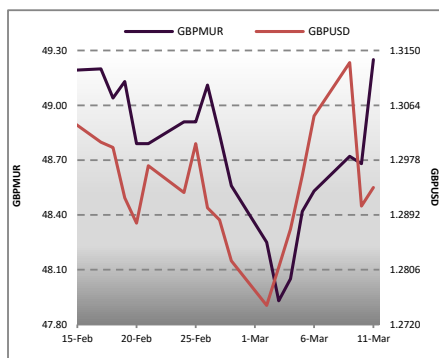
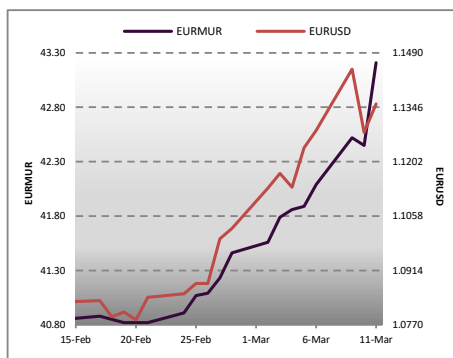
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.09	0.27	25.05	0.28
CNYMUR	5.34	0.11	5.61	0.11
EURMUR	41.95	0.74	43.21	0.76
JPYMUR	35.18	0.56	36.59	0.59
ZARMUR	2.29	0.05	2.44	0.05
USDMUR	37.20	0.85	38.10	0.85
GBPMUR	47.82	0.56	49.25	0.57

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.09	24.11	24.14	25.08	25.15	25.27
EURMUR	42.01	42.15	42.35	43.30	43.49	43.79
ZARMUR	2.28	2.26	2.22	2.43	2.42	2.39
USDMUR	37.21	37.24	37.30	38.13	38.21	38.35
GBPMUR	47.85	47.92	48.03	49.30	49.44	49.66



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6507	0.6518	0.6481	0.6509
EURUSD	1.1279	1.1357	1.1278	1.1358
GBPUSD	1.2902	1.2936	1.2871	1.2938
USDJPY	105.64	105.67	104.11	104.32
USDCHF	0.9402	0.9403	0.9326	0.9330
USDCNH	6.96	6.97	6.95	6.95

Major Indices

	Value at Close	Day Change %
DOW JONES	23,851.02	4.89
S&P 500	2,882.23	4.94
FTSE 100	5,960.23	(0.09)
DAX	10,475.49	(1.41)
CAC 40	4,636.61	(1.51)
NIKKEI 225	19,707.63	(0.80)
HANGSENG	25,243.60	(0.59)

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

- > US Treasury yields rose from record lows on Tuesday, as stocks recovered about half of Monday biggest one-day loss since 2008, easing demand for safe-haven government paper.
- > The 10-year Treasury note yield rose 24.2 basis points to 0.743 percent, its largest one-day climb since June 2009, while the 2-year note rate climbed 13.4 basis points to 0.479 percent, its biggest one-day rise since June 2009.
- > The 30-year bond yield surged 27.9 basis points to 1.217 percent.

> Yesterday, the MPC decided to reduce the Key Repo Rate by 50 basis points, from 3.35 percent to 2.85 percent. The Committee considered that the OECD lowered its assessment of global growth for 2020 by half a percentage point to 2.4 per cent amid the COVID-19 outbreak. Downside risks to global growth have increased due to disruptions in global trade and travel activity. Global inflationary pressures are expected to remain subdued.

> Today, the Bank of Mauritius will issue the 15-year Government of Mauritius Bonds for a nominal amount of MUR 1,500 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	1.25	-
2M	1.30	-
3M	1.35	1.20
4M	1.40	-
6M	1.50	1.35
8M	1.75	-
10M	1.85	-
1Y	1.95	1.80

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.45	2.25
3 year	2.75	2.55
4 Year	2.85	2.65
5 Year	3.15	2.90
10 Year	3.65	3.40
15 year	4.25	4.00
20 Year	4.75	4.50

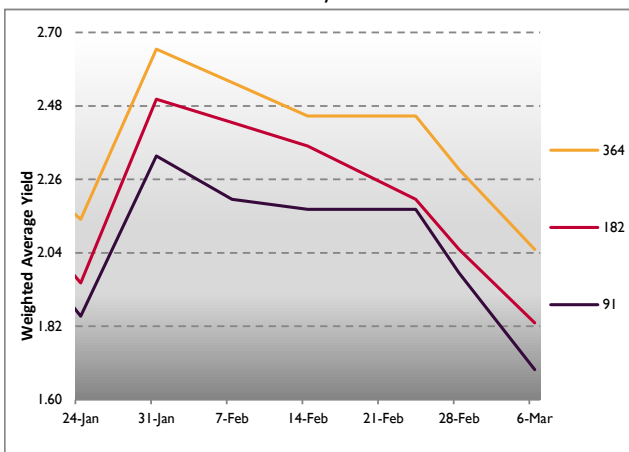
Key Central Bank Rates

	Current (%)	Previous (%)
BOM Repo Rate	2.85	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	0.4502	0.558
UK Bonds	0.189	0.155
German Bonds	-0.924	-0.935

Local Treasury Bills Market



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.565	-0.584	-0.526	-0.491
USD	1.068	0.725	0.768	0.735
GBP	0.565	0.496	0.471	0.485
EURIBOR	-0.516	-0.496	-0.468	-0.421

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.528	-0.431	-0.361	-0.245
USD LIBOR - 3m	0.482	0.640	0.680	0.716

*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 firmed for a second consecutive day on hopes of output cut by that US producers. Gains were however limited as market players remained cautious about demand for the commodity as well as the price war between Saudi Arabia and Russia.

> Yesterday, Saudi Arabia announced that it would supply 12.3m barrels of oil per day next month.

> Spot gold initially fell 2 percent, retreating along with other safe haven assets on easing panic in markets and hopes for global stimulus measures. The precious metal later recovered as markets were disappointed by the delayed US stimulus package announced earlier this week.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	36.13	0.25
Gold (\$)	1,662.49	13.42