

FOREIGN EXCHANGE MARKET

News

- > The US dollar was little moved by a disappointing US employment report on Friday as investors remained cautiously optimistic that the Federal Reserve would still start a tapering of its asset purchases as early as November.
- > This week figures on US inflation will be closely watched while the Federal Reserve is set to publish the minutes of its September policy meeting. In the UK GDP data for August will be released on Wednesday, alongside industrial and manufacturing data.
- > EUR/USD remained little changed, near recent lows as the employment report is unlikely to deter the Federal Reserve from starting to roll back its monetary stimulus program.
- > GBP/USD held firmer at 1.3655, extending its recovery from a nine-month low set late last month, on growing expectations that the Bank of England could raise interest rates to curb soaring inflation.
- > The dollar resumed its uptrend to hit a 2 and 1/2-year high at 112.41 against the yen this morning amid higher US bond yields.
- > The Canadian dollar strengthened to 1.2447 on Friday, its strongest since July 30 against the greenback, underpinned by robust employment recovery while the unemployment rate hit an 18-month low.
- > South African rand was little changed, trading at 14.9525 against the dollar on Friday despite US jobs miss.
- > The Reserve Bank of India monetary policy committee maintained the repo rate at 4 percent, in October, for the eighth straight time.
- > The Bank of Mauritius intervened on the domestic foreign exchange market and injected a total of USD 10 Mio at the rate of MUR 42.60/USD, pushing the USD/MUR to MUR 43.05/USD on the offer this morning.

Daily Technical View

EUR/USD - The EUR traded to a session high of 1.1584 against the USD on Friday after a disappointing September US jobs data, which missed market expectations. The current technical bounce in the pair may reach 1.1640/60 resistance area before the primary bearish trend reassert itself for another look at the 1.1500 key support level. The US CPI data and FOMC minutes on Wednesday will be the key risk events of the week, with latest IMM data showing that the speculative community has gone net short the EUR for the first time since March 2020.

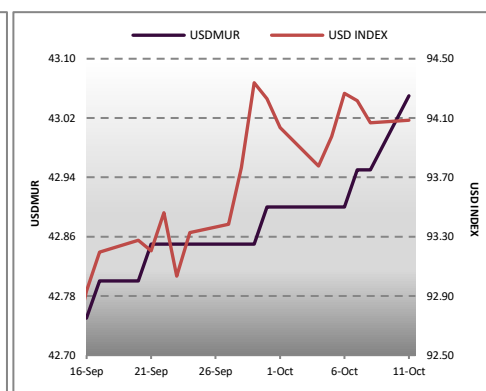
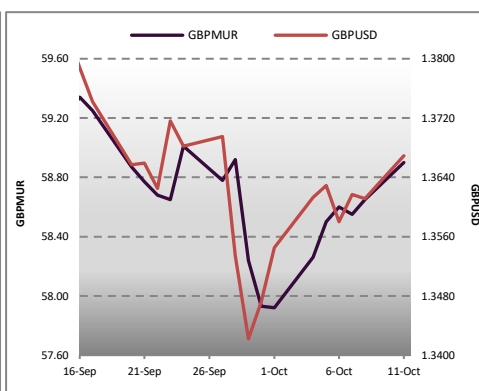
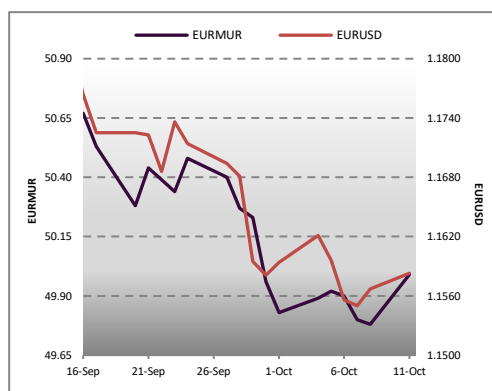
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.69	0.12	31.92	0.13
CNYMUR	6.53	0.02	6.86	0.02
EURMUR	48.53	0.20	49.99	0.21
JPYMUR	37.03	(0.19)	38.51	(0.20)
ZARMUR	2.76	-	2.94	-
USDMUR	42.15	0.10	43.05	0.10
GBPMUR	57.18	0.24	58.90	0.25

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.68	30.67	30.60	31.95	32.01	32.13
EURMUR	48.52	48.50	48.46	50.05	50.19	50.43
ZARMUR	2.74	2.71	2.65	2.94	2.93	2.93
USDMUR	42.13	42.08	42.00	43.08	43.14	43.29
GBPMUR	57.17	57.14	57.04	58.94	59.04	59.21



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7304	0.7337	0.7293	0.7336
EURUSD	1.1569	1.1587	1.1564	1.1585
GBPUSD	1.3611	1.3673	1.3612	1.3671
USDJPY	112.17	112.74	112.16	112.70
USDFX	0.9272	0.9287	0.9268	0.9273
USDCNH	6.44	6.45	6.44	6.44

Major Indices

	Value at Close	Day Change %
DOW JONES	34,754.94	(0.03)
S&P 500	4,391.34	(0.19)
FTSE 100	7,095.55	0.25
DAX	15,206.13	(0.29)
CAC 40	6,559.99	(0.61)
NIKKEI 225	28,488.95	1.57
HANGSENG	25,257.20	1.69

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
8-Oct	12 30	US	Nonfarm Payrolls	Sep	194K	500K	366K
8-Oct	12 30	CA	Unemployment Rate	Sep	6.9%	6.9%	7.1%
12-Oct	06 00	UK	ILO Unemployment Rate (3M)	Aug	-	4.5%	4.6%
12-Oct	09 00	DE	ZEW Survey - Economic Sentiment	Oct	-	24.0	26.5

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 posted the biggest weekly jump in months on Friday, as a selloff in bonds that commenced in late September proceeded despite a weaker-than-expected employment report for September.
- > The September report from the US Labour Department showed that 194,000 new jobs were created in the month, marking the second disappointing increase in a row, and suggesting a lack of labour could handicap an otherwise robust US economic recovery. The report also showed that the rate of unemployment fell to 4.8 percent from 5.2 percent, drifting to a pandemic low. US average hourly earnings jumped 19 cents, or 0.6 percent, to USD 30.85. Higher wages reflects the willingness of companies to pay more when labor is scarce.

- > The 10-year US Treasury note yield rose to 1.604 percent, its highest rate since June 3, while the 2-year Treasury note yield firmed at 0.318 percent, representing its highest since March 25, 2020. The 30-year Treasury bond yield strengthened to 2.161 percent, its highest level since June 25.
- > The result of the 182-Day Government of Mauritius Treasury Bills was as follows: out of 8 bids received only 3 were successful, with the weighted average yield published at 0.81 percent.
- > As for the 91-day and 364-Day Bank of Mauritius Bills, the weighted average yields were published at 0.62 percent and 0.91 percent respectively.

Market Highlights
Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.55	0.40
2M	0.60	0.45
3M	0.65	0.50
4M	0.75	0.60
6M	0.85	0.70
8M	0.90	0.75
10M	0.95	0.80
1Y	1.00	0.85

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.40	4.15
15 year	4.65	4.40
20 Year	4.95	4.70

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	0.10	0.10

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.3198	1.056
UK Bonds	0.558	0.771
German Bonds	-0.688	-0.510

Money Market Rates

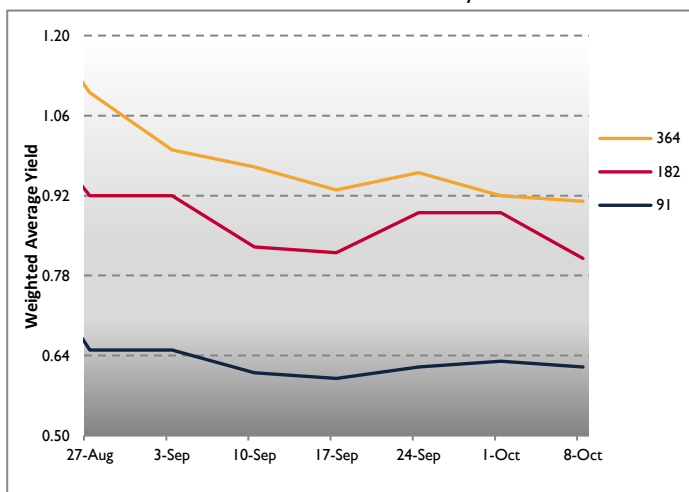
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.583	-0.575	-0.568	-0.539
USD	0.076	0.084	0.121	0.157
GBP	0.045	0.056	0.090	0.192
EURIBOR	-0.568	-0.561	-0.548	-0.518

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.409	-0.149	0.014	0.237
USD LIBOR - 3m	0.466	1.140	1.415	1.639

*Pay fixed and receive floating swap

Auction Results of Treasury Bills

COMMODITIES
Rolling Gold & Oil Prices


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News

- > Benchmark oil prices extended gains as fuel demand escalated on reopening economies and gas-to-oil switching for power generation and heating. The recent news that OPEC+ declined to accelerate the return of production also contributed to the rally.
- > Gold jumped after the release of weaker than expected US jobs data but later pared gains as market participants digested the report and focused on looming Federal Reserve tapering plans.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	83.39	0.61
Gold (\$)	1,755.38	(1.29)