

FOREIGN EXCHANGE MARKET

News

> The greenback ended little changed against majority of its peers as investors remained cautious ahead of US inflation data due this Thursday for a clearer picture of upcoming interest rate hike from the Federal Reserve.

> EUR/USD climbed to its highest level since late May above 1.0770 underpinned by hawkish comments from ECB Governing Council member Olli Rehn who stated on Wednesday that rates in the Eurozone will still have to rise significantly in the next couple of meetings and reach restrictive levels to dampen inflation.

> GBP/USD recovered toward 1.2150 after having declined to the 1.2100 area earlier in the day as the greenback struggled to find demand ahead of the US inflation report.

> USD/JPY fell from a 132.48 high to a low of 131.55 after Japanese media Yomiuri came out with the news suggesting another hawkish move by the Bank of Japan during its next week monetary policy meeting.

> AUD/USD consolidated above 0.6900 in Asia this morning after the release of a solid Aussie trade balance report.

> The Canadian dollar was little changed against its US counterpart trading around 1.3420 after touching a six-week high at 1.3355 on Monday.

> South African rand firmed on Wednesday, as the dollar weakened on global markets with investors awaiting US consumer price.

> The USD/MUR remains unchanged overnight, while the EUR/MUR and GBP/MUR open at MUR 47.60/EUR and MUR 53.76/GBP respectively.

Daily Technical View

EUR/USD – The single currency stays in an uptrend making a fresh high yesterday at 1.0776 amid market is waiting impatiently for US inflation data tonight. Failure to move past the confluent level around 1.0810 would plummet the pair to 1.0590. On the contrary, a flight past strong resistance at 1.08 would push the single currency to 1.0940.

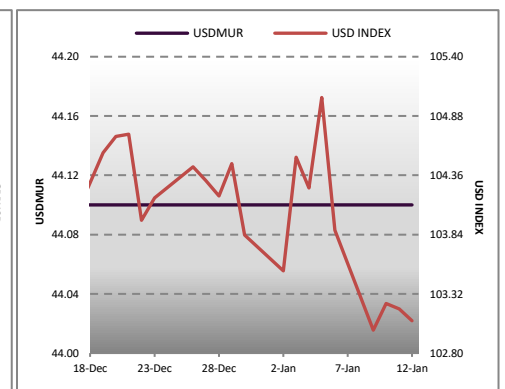
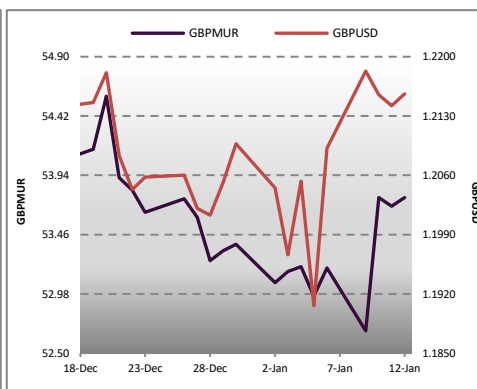
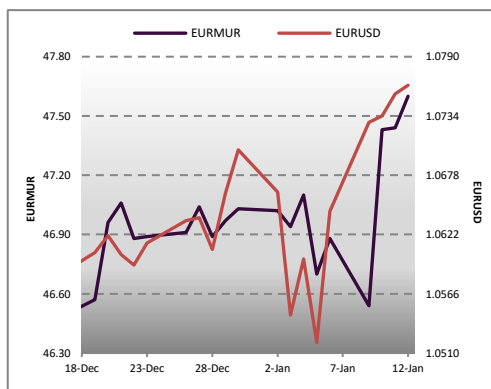
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.73	0.05	31.19	0.06
CNYMUR	6.38	0.02	6.71	0.02
EURMUR	46.21	0.15	47.60	0.16
JPYMUR	32.48	0.20	34.20	0.21
ZARMUR	2.51	0.01	2.67	0.01
USDMUR	43.20	-	44.10	-
GBPMUR	52.19	0.06	53.76	0.07

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.74	29.76	29.72	31.22	31.29	31.36
EURMUR	46.27	46.38	46.42	47.71	47.91	48.11
ZARMUR	2.50	2.49	2.46	2.67	2.66	2.64
USDMUR	43.17	43.08	42.89	44.10	44.11	44.13
GBPMUR	52.18	52.19	52.17	53.80	53.91	54.07



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6899	0.6924	0.6899	0.6918
EURUSD	1.0755	1.0774	1.0754	1.0770
GBPUSD	1.2144	1.2170	1.2140	1.2156
USDJPY	132.47	132.48	131.37	131.59
USDCHF	0.9316	0.9319	0.9303	0.9316
USDCNH	6.77	6.77	6.75	6.77

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	33,704.10	0.80
S&P 500	8,459.18	1.20
FTSE 100	7,724.98	0.40
DAX	14,947.91	1.17
CAC 40	5,197.08	0.80
NIKKEI 225	26,451.24	0.02
HANGSENG	21,444.94	0.04

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
12-Jan	13 30	US	CPI ex Food & Energy (YoY)	Dec	-	-	6.0%
12-Jan	13 30	US	Initial Jobless Claims	Jan	-	-	204K
13-Jan	07 00	UK	Gross Domestic Product (MoM)	Nov	-	-0.1%	0.5%
13-Jan	15 00	US	Michigan Consumer Sentiment Index	Jan	-	61.6	59.7

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 yields ended lower yesterday, after the World Bank warned that the global economy risked slipping into recession this year. The prognosis follows similarly comments from the International Monetary Fund last week.

> The yield on the 2-year US Treasury yield retreated to 4.249 percent, while the 10-year Treasury noted yield dropped 4.5 basis points to trade at 3.576 percent. The yield on the 30-year gave away 4.9 basis points, trading at 3.702 percent.

> Market participants will be closely monitoring the US consumer price inflation data for December due later today.

> The weighted average yield of the Five-year Government of Mauritius Bonds was published at 5.16 percent.

> Today, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury bills for a nominal amount of MUR 500 Mio.

> The Bank of Mauritius is introducing a new monetary policy framework effective 16 January 2023.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	2.85	2.70
2M	3.00	2.85
3M	3.15	3.00
4M	3.25	3.10
6M	3.40	3.25
8M	3.48	3.33
10M	3.57	3.42
1Y	3.65	3.50

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.25	4.05
3 year	4.90	4.70
4 Year	5.05	4.85
5 Year	5.25	5.00
10 Year	6.00	5.75
15 year	6.30	6.05
20 Year	6.55	6.30

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	4.50	4.00
Fed Funds Rate	4.25 - 4.50	3.75 - 4.00
BoE Bank Rate	3.50	3.00
ECB Ref. Rate	2.50	2.00
RBA Cash Rate	3.10	2.85

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.222	3.653
UK Bonds	3.516	3.327
German Bonds	2.565	2.202

Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.430	4.806	5.142
GBP	-	3.581	3.963	4.392
EURIBOR	1.889	1.935	2.284	2.820

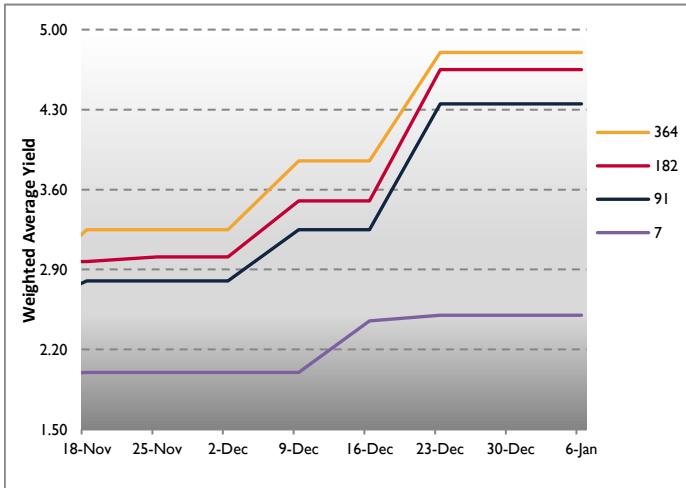
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.110	2.773	2.733	2.776
USD LIBOR - 3m	4.492	3.676	3.551	3.484

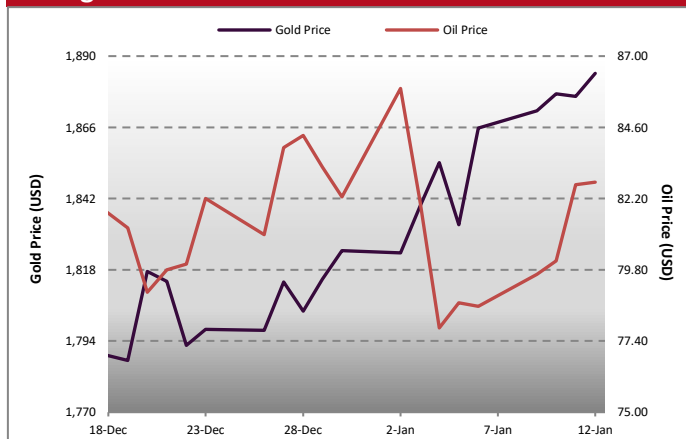
*Pay fixed and receive floating swap

Auction Results of Treasury Bills



COMMODITIES

Rolling Gold & Oil Prices



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News

> Gold rallied to an eight-month high on Wednesday, stopping short of the USD 1,900 resistance level, as markets positioned for data that is widely expected to show a further easing in US inflation. The bullion also benefitted from the underperformance in the US Treasury bond yields across the curve.

> Oil extended gains this morning after trading near a two-week high on Wednesday as optimism over a weaker US inflation reading largely offset data showing a massive, nearly 19 million barrel build in US crude inventories over the first week of January.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	82.49	2.38
Gold (\$)	1,884.40	8.02