

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar maintained its upward momentum through trade on Thursday as investors continue to drive rate hike expectations, following a strong rally on Wednesday, sparked by higher than expected rise in consumer prices.
- > EUR/USD pair hit a fresh 2021 low of 1.1445 on Thursday, as demand for the greenback continued on the back of inflation-related concerns. This Friday, the EU will release September industrial production while the US will publish the preliminary estimate of the November Michigan consumer sentiment index.
- > The cable fell to 1.3360 its lowest level of 2021 against the dollar after the relatively disappointing GDP numbers. The UK reported quarterly growth of 1.3 percent in the three months to September, much worse than the previous 5.5 percent and the expected 1.5 percent while industrial production, business investment and the trade balance also missed expectations.
- > The rally of the US dollar across the board and higher US yield boosted the USD/JPY pair.
- > AUD/USD continued its downward correction, slipping below 0.73 after domestic labour market data underperformed in October.
- > The Canadian dollar hit its lowest level in five weeks against the US counterpart after the greenback rose to its strongest since July 2020 and crude oil prices slid on an unexpected increase in US crude inventory.
- > South African rand firmed on Thursday after the government pledged to cut the budget deficit and curb debt in its mid-term budget.
- > The USD/MUR ends the week at MUR 43.20/USD on the offer, with the single currency trading below the 1.1450 handle this morning.

### Daily Technical View

EUR/USD - In Asia this morning the EUR traded to a fresh year low of 1.1437 against the USD on market expectations that the US Federal Reserve would tighten monetary policy earlier than expected following the red hot US inflation data. Intra-day we expect the bearish momentum in the pair to prevail, with the 1.1490/1.1520 area to cap rallies and looking for a break below 1.1400 for a 1.1365 downside target level.

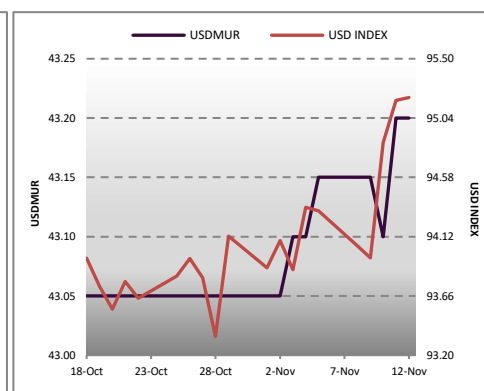
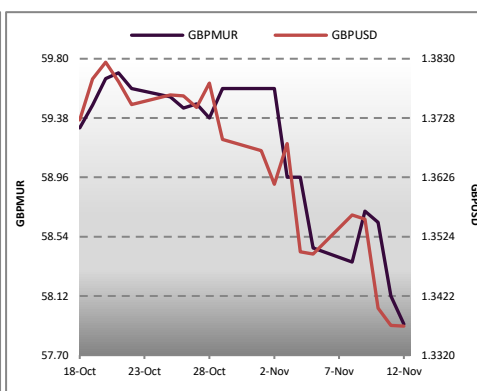
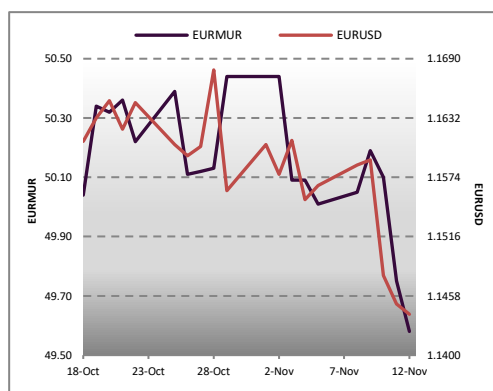
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.66	(0.09)	31.89	(0.09)
CNYMUR	6.61	0.02	6.95	0.02
EURMUR	48.14	(0.16)	49.58	(0.17)
JPYMUR	36.66	(0.08)	38.13	(0.08)
ZARMUR	2.72	0.03	2.90	0.04
USDMUR	42.30	-	43.20	-
GBPMUR	56.23	(0.20)	57.92	(0.20)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.65	30.63	30.60	31.92	31.97	32.07
EURMUR	48.14	48.12	48.10	49.64	49.79	50.04
ZARMUR	2.70	2.67	2.61	2.90	2.90	2.91
USDMUR	42.29	42.25	42.14	43.23	43.31	43.42
GBPMUR	56.22	56.20	56.08	57.96	58.07	58.20



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7297	0.7300	0.7277	0.7294
EURUSD	1.1452	1.1453	1.1437	1.1443
GBPUSD	1.3371	1.3376	1.3354	1.3369
USDJPY	114.05	114.30	114.04	114.23
USDCHF	0.9204	0.9230	0.9207	0.9223
USDCNH	6.39	6.39	6.39	6.39

#### Major Indices

	Value at Close	Day Change %
DOW JONES	36,079.94	(0.44)
S&P 500	4,649.27	0.06
FTSE 100	7,384.18	0.60
DAX	16,083.11	0.10
CAC 40	7,059.55	0.20
NIKKEI 225	29,590.22	1.07
HANGSENG	25,314.18	0.26

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
10-Nov	13 30	US	CPI ex Food & Energy (YoY)	Oct	4.6%	4.3%	4.0%
11-Nov	07 00	UK	Gross Domestic Product (QoQ) PREL	Q3	1.3%	1.5%	5.5%
12-Nov	15 00	US	Michigan Consumer Sentiment Index	Nov	-	72.4	71.7
14-Nov	10 00	EU	Gross Domestic Product s.a. (YoY) PREL	Q3	-	-	3.7%

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

- > Asian share prices firmed today as a shock from a surprisingly strong US inflation reading ebbed, with investors now hopeful that the worst price hikes could be soon over.
- > The inflation data suggested that the current wave of price spikes due to chronic worldwide supply constraints could have more staying power than many had hoped. However many investors still believe that the inflationary pressure will eventually ease, rather than strengthen.
- > US stock futures were up about 0.3 percent after a mixed session on Thursday when the S&P 500 ended 0.06 percent higher while tech-heavy Nasdaq rose 0.52 percent.
- > Bond yields ticked up, driving prices lower, with the 10-year US Treasuries yield rising 1.9 basis points to 1.572 percent earlier today, after a market holiday on Thursday.
- > Today, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 800 Mio as well as the auction for the 91-day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 700 Mio.

### Market Highlights

Local Secondary Market T-Bills		
	Bid (%)	Offer (%)
1M	0.60	0.45
2M	0.65	0.50
3M	0.70	0.55
4M	0.80	0.65
6M	0.90	0.75
8M	0.95	0.80
10M	1.00	0.85
1Y	1.05	0.90

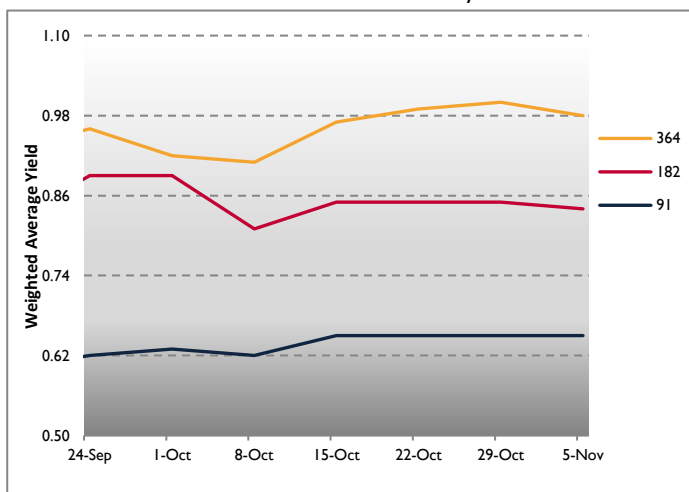
Local Secondary Market T-Bonds		
	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.75	2.55
5 Year	3.05	2.80
10 Year	4.50	4.25
15 year	4.75	4.50
20 Year	5.00	4.75

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	0.5336	1.247
UK Bonds	0.57	0.696
German Bonds	-0.689	-0.509

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

Auction Results of Treasury Bills



### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.583	-0.576	-0.568	-0.549
USD	0.075	0.089	0.154	0.220
GBP	0.042	0.053	0.114	0.298
EURIBOR	-0.576	-0.566	-0.569	-0.532

\* LIBOR rates delayed by 48 hours. Source: ICE

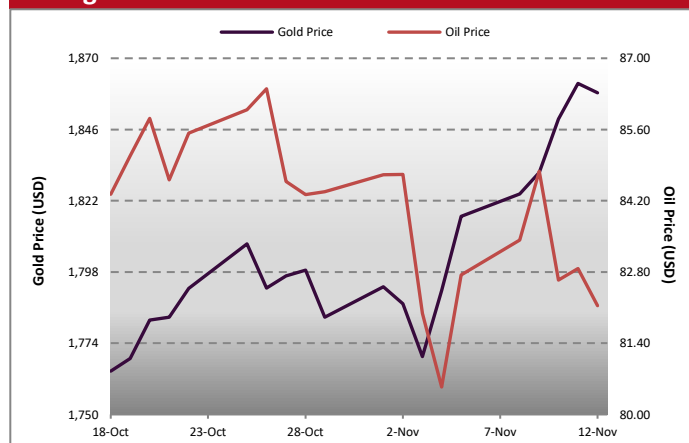
### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.297	-0.062	0.026	0.179
USD LIBOR - 3m	0.741	1.335	1.478	1.602

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

- > Benchmark oil prices posted some gains on Thursday before retreating this morning on the back of a surging US dollar amid speculation about US Federal Reserve monetary policy plans to tame inflation.
- > In a monthly report released yesterday, the Organization of the Petroleum Exporting Countries (OPEC) cut its world oil demand forecast for the last quarter of 2021 by 330,000 barrels per day, as the recovery from COVID-19 crisis is slowed down by high energy prices.
- > Gold trades on a steady note, very close to its five-month peak hit on Wednesday following strong US consumer price data. The precious metal is on track for its biggest weekly gain since May.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	83.64	(1.20)
Gold (\$)	1,858.72	(2.80)