

FOREIGN EXCHANGE MARKET

News

- > The greenback ended flat against its major peers except the Japanese yen in thin North American trading on Monday. After weaker US jobs data last week, the focus now shifts to FOMC minutes as well as inflation and retail sales numbers this week.
- > EUR/USD pair ended the day with modest losses in the 1.1550 price zone. The macroeconomic calendar had nothing relevant to offer yesterday while this Tuesday Germany will publish the October ZEW survey.
- > GBP/USD failed to maintain the momentum after touching a high of 1.3674 in the previous session and finished the day just below the 1.3600 threshold as the BoE inflation stance and Brexit concerns pulled the pound lower.
- > The dollar soared to 113.48 its highest in nearly three years against the Japanese yen as investors remained confident the US Federal Reserve will announce a tapering of its massive bond-buying next month despite softer US payrolls figures.
- > AUD/USD jumped to a fresh 3 and 1/2-week highs at 0.7370 buoyed by the re-opening of the New South Wales economy and a broad uptick across key commodities, namely coal, copper, and iron ore.
- > USD/CAD pair traded nearly unchanged amid relatively thin liquidity conditions on the back of a bank holiday in the US and Canada.
- > South African rand weakened against the dollar on Monday as investors remained confident the US Federal Reserve would start tapering its stimulus measures this year and as a local business confidence indicator dipped.
- > The USD/MUR maintains MUR 43.05/USD on the offer, with the market expected to remain very tight as demand surges for this month.

Daily Technical View

EUR/USD - A quiet Monday session, with the US off for the Columbus Day holiday, saw the EUR drifting lower towards the 1.1550 support level against the USD as the market bet that the US Federal Reserve will start its tapering program as soon as next month. Intra-day we expect the trading range to be 1.1525-1.1585 and on the wide 1.1490-1.1615.

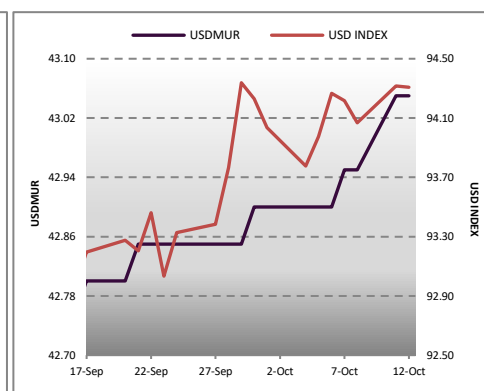
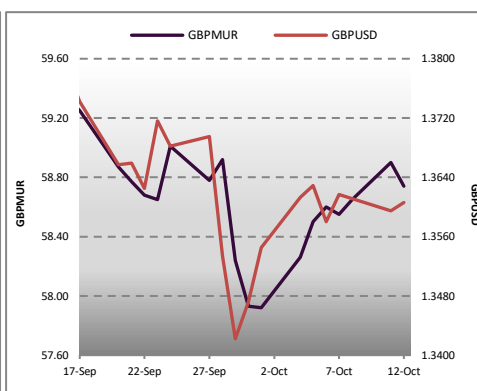
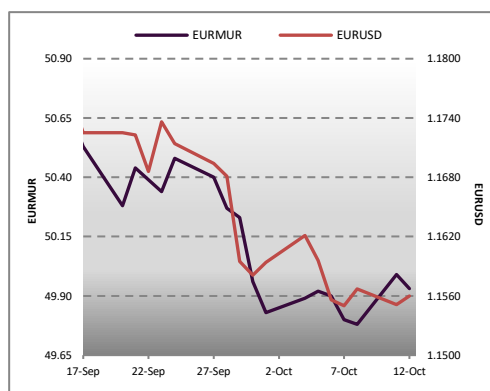
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.77	0.08	32.00	0.08
CNYMUR	6.52	(0.01)	6.85	(0.01)
EURMUR	48.48	(0.05)	49.93	(0.06)
JPYMUR	36.83	(0.20)	38.30	(0.21)
ZARMUR	2.75	(0.01)	2.93	(0.01)
USDMUR	42.15	-	43.05	-
GBPMUR	57.03	(0.15)	58.74	(0.16)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.76	30.74	30.69	32.02	32.09	32.21
EURMUR	48.47	48.45	48.42	49.99	50.13	50.37
ZARMUR	2.73	2.69	2.63	2.93	2.92	2.92
USDMUR	42.14	42.10	42.02	43.08	43.15	43.29
GBPMUR	57.02	56.97	56.86	58.78	58.86	59.02



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7350	0.7361	0.7333	0.7347
EURUSD	1.1553	1.1568	1.1548	1.1570
GBPUSD	1.3597	1.3611	1.3582	1.3605
USDJPY	113.29	113.49	113.10	113.12
USDCHF	0.9273	0.9284	0.9266	0.9267
USDCNH	6.46	6.46	6.45	6.46

Major Indices

	Value at Close	Day Change %
DOW JONES	34,746.25	(0.72)
S&P 500	4,361.19	(0.69)
FTSE 100	7,146.85	0.72
DAX	15,199.14	(0.05)
CAC 40	6,570.54	0.16
NIKKEI 225	28,232.32	(0.93)
HANGSENG	24,902.71	(1.67)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
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
13-Oct	06 00	DE	Harmonized Index of Consumer Prices	Sep	-	4.1%	4.1%
13-Oct	12 30	US	CPI ex Food & Energy (YoY)	Sep	-	4.0%	4.0%

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

- > The Two-year US Treasury yields leapt to a more than 18-month high during the Asian session earlier today, as investors sold US debt, reckoning that surging energy prices would fuel inflation and add to pressure on the Federal Reserve to raise interest rates.
- > At the resumption of trade in Asia, after yesterday's Columbus Day holiday in the US, two year yields rose 3.6 basis points to 0.3560 percent, before easing a little bit to 0.3497 percent.

- > That extended the sell-off in two-year Treasuries to a sixth consecutive session. The yield was at its highest since late March 2020, when investors sold debt in the days after the Fed dropped its benchmark rate to near zero.
- > The 10-year yield has climbed about 30 basis points in three weeks, with weaker than expected US labour data last week, insufficient to staunch the sell off or shake market belief that the US Federal Reserve is on course to begin rate rises next year.

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

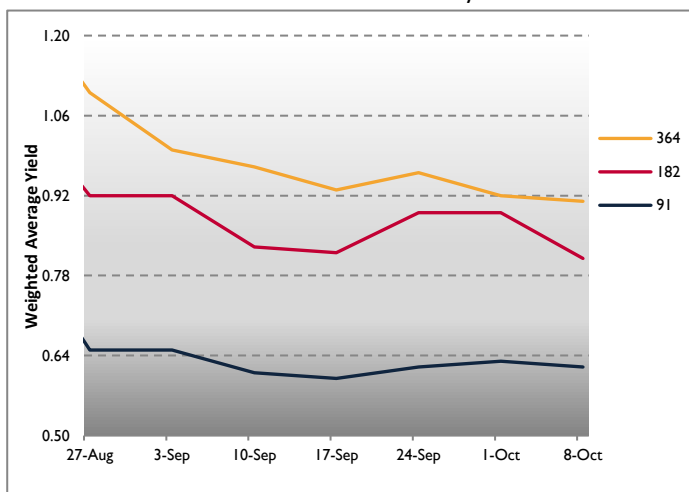
Local Secondary Market T-Bonds		
	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.40	4.15
15 year	4.65	4.40
20 Year	4.95	4.70

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	0.3479	1.069
UK Bonds	0.602	0.806
German Bonds	-0.677	-0.506

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

Auction Results of Treasury Bills



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	-0.417	-0.124	0.043	0.263
USD LIBOR - 3m	0.466	1.153	1.406	1.625

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil lost some strength during the Asian session after weeks of gains but momentum behind the oil rally still persists. The USD 80 per barrel threshold may not be the limit for oil prices in the coming months as global demand recovery continues and record natural gas prices spur more demand for oil products for power generation and heating.
- > Investors will await for the US crude oil data from the American Petroleum Institute due later in the day.
- > Gold prices edged up this morning amid deteriorating risk sentiment. However, hawkish Fed expectations and sustained dollar buying might cap any meaningful gains in the yellow metal.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	84.71	1.33
Gold (\$)	1,761.38	7.52