

## FOREIGN EXCHANGE MARKET

### News

>The US dollar fell across the board on Thursday after US inflation data indicated prices were on a sustained downward trend, hence lifting expectations that the Federal Reserve will be less aggressive going forward with rate hikes.

>EUR/USD rose to a 9-month peak above 1.0850 on the back of the increasing selling pressure in the dollar following the release of US inflation figures for December.

>GBP/USD rallied to 1.2242, the highest level in four weeks while investors are awaiting the release of the economic activities-related data in the UK later today,

>The Australian dollar advanced through trade on Thursday, consolidating a break above 0.6900 as inflation pressures in the US continue to ease.

>USD/JPY tumbled to a six-month low trading below the psychological level of 130.00 following the release of US inflation data and on news of BOJ taking further steps to review the side effects of monetary easing next week.

>The Canadian dollar strengthened to its highest level in nearly seven weeks against its US counterpart on Thursday as oil prices rose and investors cheered data showing that US inflation pressures are subsiding.

>South African rand strengthened on Thursday, after US data offered hope inflation was now on a sustained downward trend, potentially allowing the Federal Reserve to slow its policy tightening pace and ease the pressure on global central banks.

> USD/MUR sees no change overnight, still trading at MUR 44.10/USD while EUR/MUR gains 32 cents with the EUR/USD trading above the 1.08 handle.

### Daily Technical View

EUR/USD – U.S CPI data yesterday pushed the single currency to a high at 1.0867, breaking the confluent resistance at 1.0810. The pair stabilized above 1.0835 given the bullish momentum. The next level on the watchlist is 1.0940. Support is drawn at yesterday's low at 1.0725.

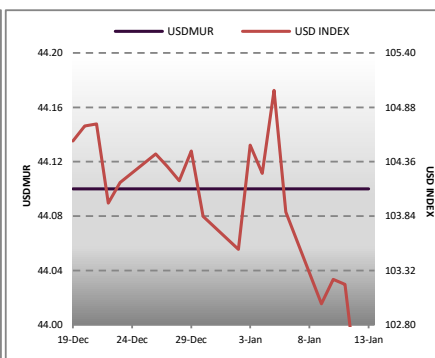
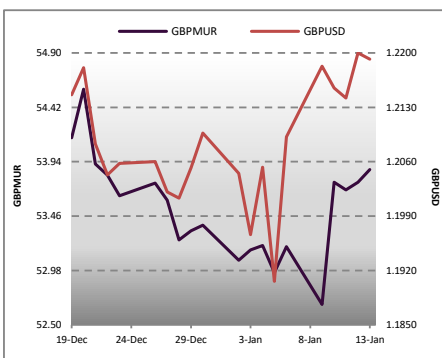
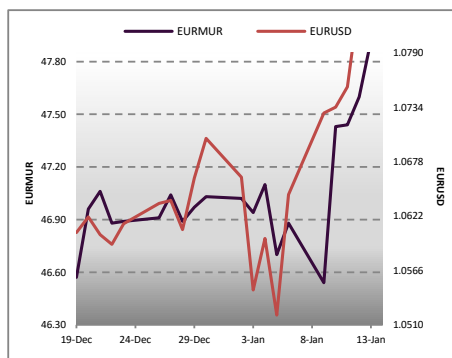
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.88	0.15	31.34	0.15
CNYMUR	6.40	0.02	6.73	0.02
EURMUR	46.52	0.31	47.92	0.32
JPYMUR	33.10	0.62	34.85	0.65
ZARMUR	2.54	0.03	2.71	0.04
USDMUR	43.20	-	44.10	-
GBPMUR	52.30	0.11	53.87	0.11

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.87	29.83	29.74	31.35	31.36	31.37
EURMUR	46.54	46.57	46.52	47.99	48.11	48.22
ZARMUR	2.53	2.51	2.47	2.70	2.69	2.67
USDMUR	43.13	42.97	42.70	44.07	44.00	43.93
GBPMUR	52.25	52.17	52.06	53.87	53.89	53.95



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6971	0.6983	0.6945	0.6953
EURUSD	1.0852	1.0867	1.0832	1.0839
GBPUSD	1.2208	1.2232	1.2177	1.2183
USDJPY	129.26	129.43	128.70	129.17
USDCHF	0.9277	0.9308	0.9258	0.9303
USDCNH	6.73	6.75	6.72	6.75

#### Major Indices

	Value at Close	Day Change %
DOW JONES	33,973.01	0.64
S&P 500	8,489.08	0.35
FTSE 100	7,794.04	0.89
DAX	15,058.30	-
CAC 40	6,924.19	0.32
NIKKEI 225	26,449.82	(0.01)
HANGSENG	21,531.09	0.08

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
13-Jan	10 00	EU	Industrial Production (MoM)	Nov	-	0.5%	-2.0%
13-Jan	N/A	US	Index of Common Inflation Expectations	Q3	-	-	-
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 declined yesterday, as US consumer-price index fell 0.1 percent in December and posted the first decline since the onset of the pandemic in 2020, pointing to a further slowdown in inflation after it hit a 40-year peak last year.

> The yield on the US 2-year Treasury note, closely correlated to expectations of Fed interest rates, fell 6 basis points to 4.17 percent, its lowest since October, while the 10-year Treasury yield, which reflects longer term inflation expectations fell 5 basis points to 3.51 percent. The long-bond yield gave away 10.6 basis points to 3.573 percent.

> The Bank of Mauritius received applications for the 364-Day Government of Mauritius Treasury Bills for a total amount of MUR 2,000 Mio but allotted only MUR 500 Mio at the weighted average rate of 4.19 percent.

### 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

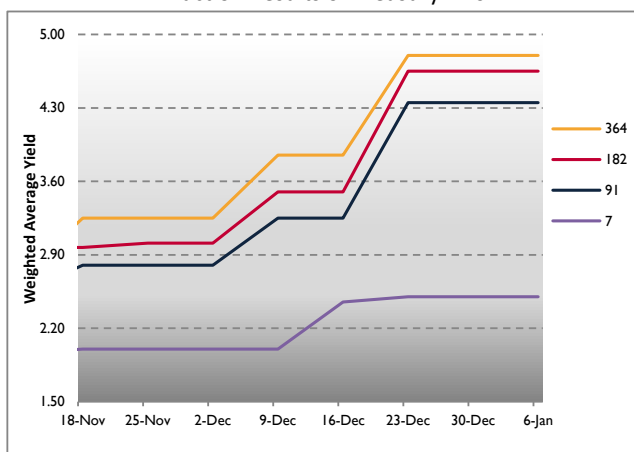
#### Key Central Bank Rates

	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	4.1648	3.561
UK Bonds	3.438	3.244
German Bonds	2.558	2.168

#### Auction Results of Treasury Bills



#### 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

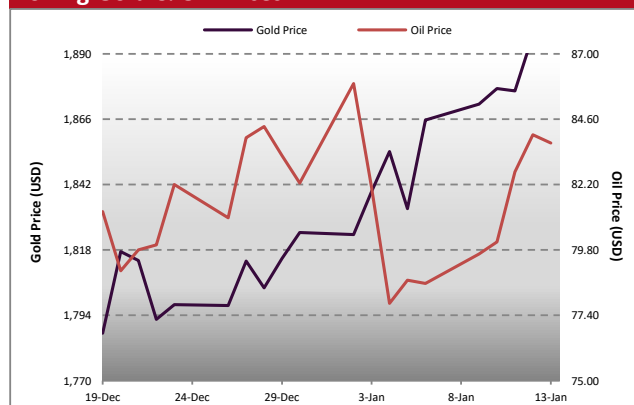
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.096	2.716	2.672	2.712
USD LIBOR - 3m	4.446	3.598	3.475	3.442

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

> Gold breached the USD 1,900 level the first time in eight months after US consumer inflation data showed that price pressures eased as expected in December, setting the scene for a slowing pace of interest rate hikes by the Federal Reserve.

> Oil prices slipped in early trade this morning in Asia but look set for sharp gains this week on signs of slowing inflation in the US, while optimism over a Chinese economic reopening also spurred bets on improving demand in 2023.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	84.94	2.46
Gold (\$)	1,894.05	(2.81)