

FOREIGN EXCHANGE MARKET

News

- > The US Dollar steadied across the board, as investors awaited for more clues about the global economic recovery. US inflation data this Tuesday will be closely watched while Federal Reserve Chairman Jerome Powell will deliver his semi-annual testimony on the economy and monetary policy on Wednesday and Thursday respectively.
- > EUR/USD pair traded in a limited range on Monday as the spread of the coronavirus Delta variant weighed on investors' mood amid concerns it would delay the global economic recovery. Germany will today publish the final version of its June inflation.
- > GBP/USD eased below the 1.3900 level while the UK Health Minister Sajid Javid confirmed that they would move forward with reopening. This Tuesday the BOE will publish the financial stability report.

- > USD/JPY edged higher for a second consecutive day as higher US Treasury yields underpinned the demand for the US dollar.
- > AUD/USD broke above the 0.7500 level in Asian trade this morning following upbeat China trade numbers.
- > USD/CAD pulled back from above 1.2500 after the USD lost strength while investors are looking to a rate announcement from the Bank of Canada on Wednesday to see whether the bank will announce any slowing of its asset purchases.
- > South African rand weakened on Monday as violence broke out after the jailing of former President Jacob Zuma.
- > The USD/MUR maintains the same levels as yesterday, while the EUR/MUR inches higher to open at MUR 51.15/EUR on the offer.

Daily Technical View

EUR/USD-A quiet start of the week saw the EUR trading in a tight 1.1837-79 range against the USD on Monday but the single currency kept its mild bullish tone on news that the ECB will unveil a new strategy on how to unwind its pandemic stimulus programme at its next meeting. Intra-day we expect trading to be in a 1.1820/1.1910 range and if a temporary bottom is in place at 1.1783 level as the technical picture hinted, then we may see a recovery towards 1.1975 resistance area.

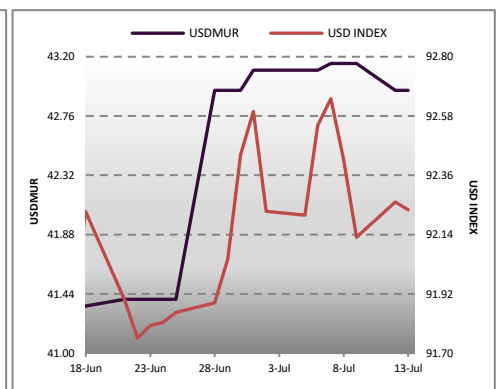
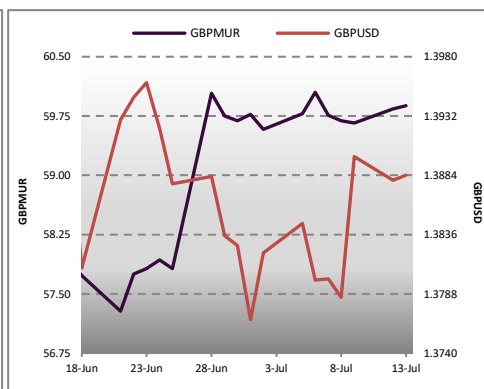
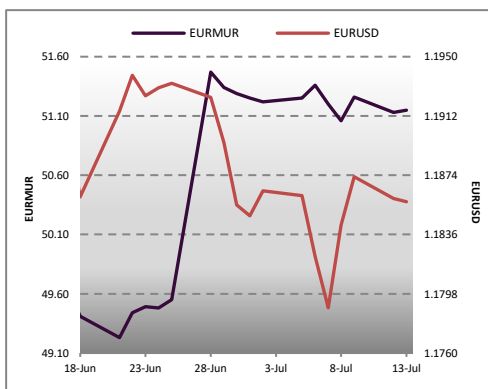
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	31.35	0.10	32.60	0.10
CNYMUR	6.49	0.01	6.82	0.01
EURMUR	49.66	0.02	51.15	0.02
JPYMUR	37.72	(0.08)	39.23	(0.08)
ZARMUR	2.87	(0.02)	3.06	(0.02)
USDMUR	42.05	-	42.95	-
GBPMUR	58.14	0.04	59.88	0.04

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	31.34	31.33	31.29	32.63	32.70	32.83
EURMUR	49.65	49.64	49.61	51.21	51.36	51.63
ZARMUR	2.85	2.82	2.76	3.06	3.05	3.05
USDMUR	42.03	42.01	41.93	42.98	43.06	43.20
GBPMUR	58.13	58.11	58.04	59.92	60.04	60.25



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7474	0.7502	0.7476	0.7487
EURUSD	1.1860	1.1875	1.1857	1.1862
GBPUSD	1.3883	1.3905	1.3879	1.3883
USDJPY	110.38	110.44	110.30	110.37
USDCHF	0.9149	0.9153	0.9144	0.9154
USDCNH	6.47	6.48	6.47	6.47

Major Indices

	Value at Close	Day Change %
DOW JONES	34,870.16	0.36
S&P 500	4,384.63	0.35
FTSE 100	7,125.42	0.05
DAX	15,790.51	0.65
CAC 40	6,559.25	0.46
NIKKEI 225	28,718.50	0.52
HANGSENG	27,961.65	1.62

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
13-Jul	06 00	DE	Harmonized Index of Consumer Prices	Jun	-	-	2.1%
13-Jul	12 30	US	CPI ex Food & Energy (YoY)	Jun	-	-	3.8%
14-Jul	02 00	NZ	RBNZ Interest Rate Decision	-	-	0.25%	0.25%
14-Jul	06 00	UK	Consumer Price Index (YoY)	Jun	-	2.2%	2.1%

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

FIXED INCOME

News

- > Yields for long-dated US government debt edged higher yesterday, as investors awaited a batch of important economic reports, notably data on inflation, due today, as well as Federal Reserve Chairman Jerome Powell's testimony on Capitol Hill on Wednesday.
- > The spread of COVID-19's Delta variant has been partly blamed for recent buying in government debt, which has pushed prices higher and yields lower. However, a number of fixed-income strategists continue to hold the view that the benchmark bond yield will drift back up toward 2 percent by the end of 2021.

> The 10-year US Treasury note yield strengthened to 1.362 percent, while the 30-year Treasury bond yield edged higher to 1.993 percent. The 2-year Treasury note yielded 0.231 percent, up from 0.215 percent at the end of last week.

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

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.00	1.80
3 year	2.45	2.25
4 Year	2.75	2.55
5 Year	3.05	2.80
10 Year	4.40	4.15
15 year	4.65	4.40
20 Year	4.90	4.65

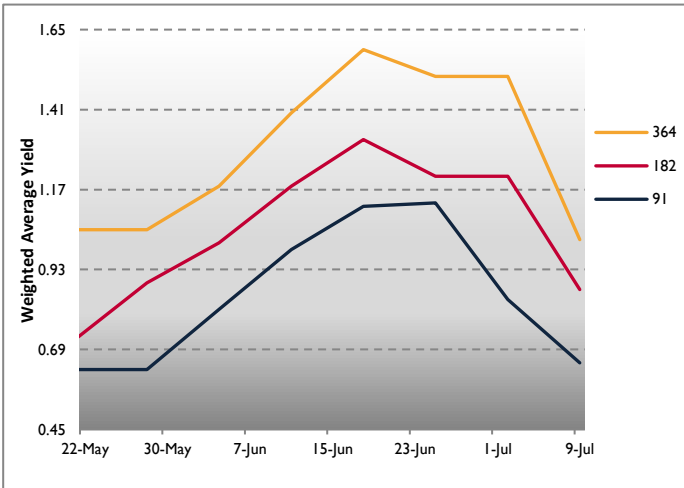
Key Central Bank Rates

	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	0.2308	0.795
UK Bonds	0.092	0.301
German Bonds	-0.675	-0.602

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.583	-0.575	-0.552	-0.527
USD	0.090	0.100	0.129	0.151
GBP	0.042	0.053	0.077	0.102
EURIBOR	-0.564	-0.552	-0.543	-0.514

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.475	-0.332	-0.202	-0.001
USD LIBOR - 3m	0.320	0.877	1.125	1.355

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Strong US equity markets and a firmer dollar weighed on gold prices while bullion traders are keenly awaiting the upcoming US inflation data that could offer clues about the likely timing of policy tightening by the Federal Reserve.
- > Gold has massive resistance around the USD 1,835 level, which on a break could pave the way for a run towards the USD 1,870 level.
- > The robust crude demand outlook is starting to take a hit as many countries continue to struggle with the more infectious Delta variant, dragging down oil prices in the previous session. However, expectations of further declines in US crude inventories provided some support to oil prices and limited the losses.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	77.79	(0.52)
Gold (\$)	1,811.90	6.02