

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended lower against majority of its peers on Tuesday as the release of soft US inflation data triggered speculation that the Federal Reserve may keep interest rates unchanged.
- > The EUR/USD pair advanced at around the 1.1300 level in late New York session following softer-than-expected US inflation figures and Brexit vote outcome.
- > The GBP/USD stabilized in early Asian trade this morning after turbulence following the defeat of Prime Minister Theresa May European Union exit deal, but investors braced for more volatility ahead of additional Brexit proceedings.
- > The Australian dollar dropped to 0.7053 against the USD after both the National Bank of Australia business conditions and business confidence index for February missed estimates.
- > South African rand firmed on Tuesday as the dollar weakened after US consumer price data.
- > The Canadian dollar edged lower against its US counterpart on Tuesday but held near its strongest in nearly a week as oil prices rose.
- > The US Dollar opens 15 cents lower this morning against the Rupee, ahead of durable goods orders data due out of the US later today.

### Daily Technical View

EUR/USD - The EUR recovery against the USD reached a session high of 1.1297 after weak US inflation data reinforced market view that the US Federal Reserve might put monetary policy tightening on hold for the near-term. The 1.1300/20 area is key resistance level, with a clear break targeting 1.1420 level, whereas failure to trade above will see a move back to good support level at 1.1220.

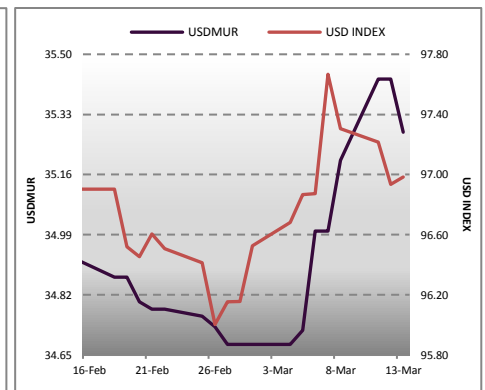
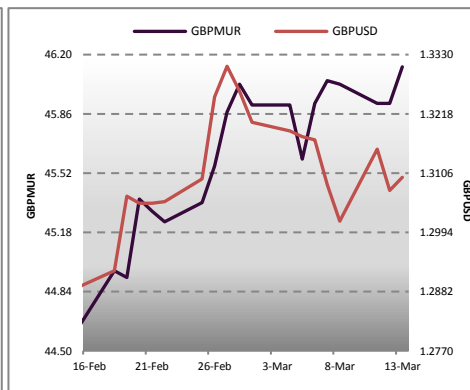
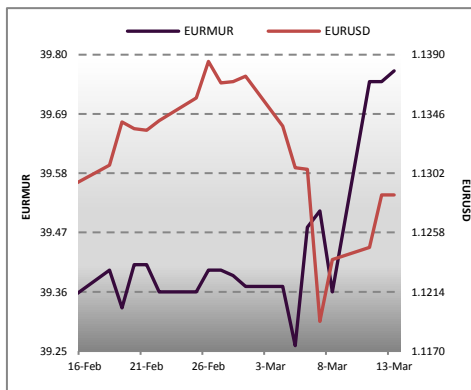
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.14	(0.04)	25.11	(0.04)
CNYMUR	5.11	(0.01)	5.37	(0.01)
EURMUR	38.61	0.02	39.77	0.02
JPYMUR	30.58	(0.18)	31.80	(0.19)
ZARMUR	2.35	(0.01)	2.47	(0.01)
USDMUR	34.38	(0.15)	35.28	(0.15)
GBPMUR	44.79	0.21	46.13	0.21

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.15	24.17	24.20	25.15	25.23	25.36
EURMUR	38.71	38.92	39.24	39.89	40.16	40.60
ZARMUR	2.34	2.32	2.29	2.46	2.45	2.43
USDMUR	34.38	34.40	34.42	35.31	35.37	35.49
GBPMUR	44.86	45.01	45.23	46.23	46.45	46.80



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7081	0.7082	0.7050	0.7058
EURUSD	1.1286	1.1293	1.1283	1.1289
GBPUSD	1.3074	1.3100	1.3061	1.3100
USDJPY	111.34	111.37	111.15	111.32
USDCHF	1.0076	1.0080	1.0073	1.0077
USDCNH	6.71	6.72	6.71	6.72

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,650.88	(0.38)
S&P 500	2,791.52	0.30
FTSE 100	7,151.15	0.29
DAX	11,524.17	(0.17)
CAC 40	5,270.25	0.08
NIKKEI 225	21,259.80	(1.13)
HANGSENG	28,836.89	(0.29)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
12-Mar	12 30	US	Consumer Price Index ex Food & Energy	Feb	2.1%	2.2%	2.2%
13-Mar	12 30	US	Durable Goods Orders	Jan	-	-0.5%	1.2%
13-Mar	12 30	US	Producer Price Index ex Food & Energy	Feb	-	2.6%	2.6%
13-Mar	-	UK	Budget Report	-	-	-	-

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

**News**

- > US government bond yields added to their decline after the US Treasury Department auction of USD 24 billion of 10-year notes drew strong demand.
- > The 10-year note yield fell 3 basis points to 2.611 percent, while the 2-year note yield +0.33 percent fell 2.2 basis points to 2.455 percent. The 30-year bond yield slipped 3.2 basis points to 3.000 percent. This comes after a weaker-than-expected core consumer prices index reading initially sparked a Treasury's rally on Tuesday.

- > In Europe, the Greek 10-year government bond yield traded at 3.684 percent, around its lowest levels since 2006 after Moody's has boosted its credit rating two notches late last week citing the recent progress in the government's reforms, according to Trade web data. Greece mentioned it planned to issue soon its first 10-year bond since 2010.

**Market Highlights**

**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	3.05	-
2M	3.10	-
3M	3.19	3.04
4M	3.30	-
6M	3.40	3.25
8M	3.45	-
10M	3.50	-
1Y	3.57	3.42

**Local Secondary Market T-Bonds**

	Bid (%)	Offer (%)
2 year	3.90	3.70
3 year	4.10	3.90
4 Year	4.35	4.15
5 Year	4.70	4.45
10 Year	5.45	5.20
15 year	6.00	5.75
20 Year	6.15	5.90

**Key Central Bank Rates**

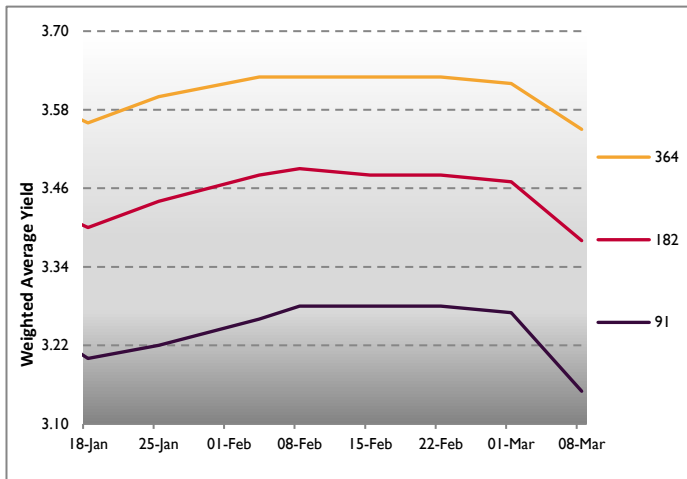
	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.25 - 2.50
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.50	1.50

**Government Benchmark Yields (%)**

	2 Year	5 Year
US Bonds	2.4628	2.420
UK Bonds	0.713	0.881
German Bonds	-0.542	-0.393

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

**Local Treasury Bills Market**



**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.447	-0.415	-0.331	-0.298
USD	2.417	2.489	2.593	2.682
GBP	0.698	0.727	0.845	0.976
EURIBOR	-0.376	-0.368	-0.308	-0.232

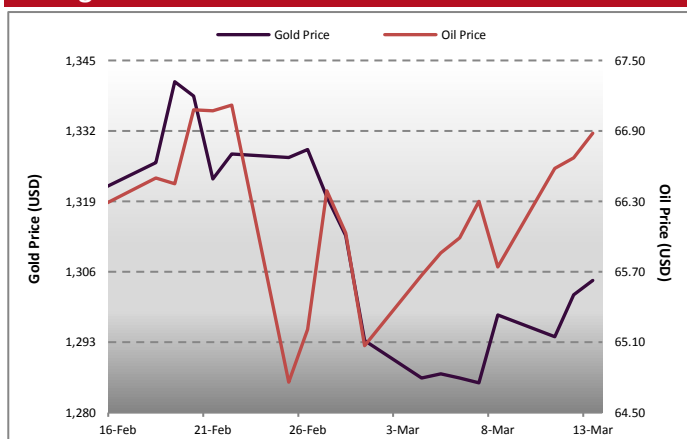
**Indicative Generic Swap Rates\* (%)**

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.247	0.013	0.212	0.508
USD LIBOR - 3m	2.566	2.465	2.517	2.626

\*Pay fixed and receive floating swap

**COMMODITIES**

**Rolling Gold & Oil Prices**



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

**News**

- > Oil prices posted gains to trade at USD 66.87 this morning, pushed higher by ongoing supply cuts from producer cartel OPEC while markets have been further tightened by the implementation of US sanctions against oil exports from Iran and Venezuela. Elsewhere Saudi Arabia has also announced their plans to cut oil exports to below 7 million barrels per day in April to support prices.

- > The yellow metal is back above the USD 1,300 level on a weaker US dollar, which had been sold off after news that the Brexit plan could be successful, while another wave of support came as the new flows changed directions and traders rushed to safe havens.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	64.79	0.28	66.88	0.21
Gold (\$)	1,304.80	3.04	1,296.30	7.50