

## FOREIGN EXCHANGE MARKET

### News

> The greenback soared across the board on Thursday on the back of risk-aversion except against the safe-haven JPY. Panic selling hit equities the most, as speculative interest priced in massive quantitative tightening.

> EUR/USD fell below the 1.0400 level for the first time since January 2017 on Thursday as traders dumped the euro in favour of the safe-haven US dollar amid heightened worries about tensions between the EU and Russia.

> The GBP/USD pair declined to a low of 1.2165 after the relatively weak economic numbers from the UK. The Preliminary UK GDP report showed that the British economy expanded by 0.8 percent during the first quarter of 2022 as against the 1.3 percent growth recorded in the previous quarter and the 1.0 percent anticipated.

> USD/JPY came under intense selling pressure and dived to over a two-week low. The flight to safety benefitted the JPY and dragged the pair lower amid sliding US bond yields.

> AUD/USD fell to a new year low at 0.6830 as markets maintained a firm risk off mood.

> The USD/CHF pair reached parity for the first time since December 2019.

> The Canadian dollar extended recent declines against its US counterpart on Thursday as investors grew more worried about the global economy and the Bank of Canada played down prospects of interest rates rising by more than half a percentage point in any one move.

> The EUR/MUR pair hits its lowest level since early July 2020, at 45.47 on the offer, as the EUR/USD is trading below 1.04, a level not breached since January 2017.

### Daily Technical View

The Greenback continues its ascent and remains near 20-year highs supported by safe haven demand as persisting high inflation led investors to flee risk-sensitive currencies and flock to the safety of the dollar. The EURO was in free-fall yesterday, plunging from a high of 1.0530 to trade near 5-year lows at 1.0355. The risk broadly feels like it is shifting to a new range lower and any rally towards 1.0450/70 resistance would be met with heavy offers. To the downside, a break below 1.0340 support area would open the door to 1.0250/70.

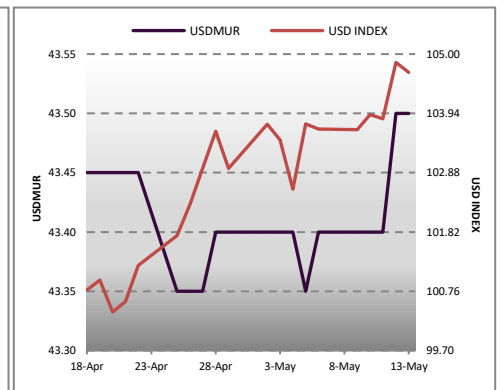
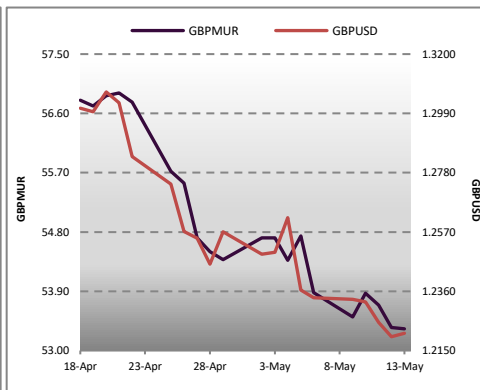
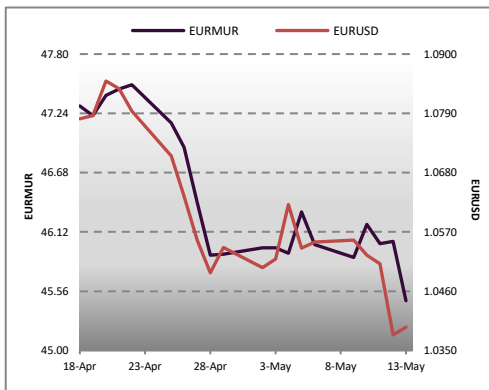
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.16	(0.13)	30.33	(0.13)
CNYMUR	6.24	(0.03)	6.56	(0.03)
EURMUR	44.15	(0.54)	45.47	(0.56)
JPYMUR	32.67	0.18	33.98	0.19
ZARMUR	2.61	0.02	2.78	0.02
USDMUR	42.60	-	43.50	-
GBPMUR	51.78	(0.02)	53.33	(0.02)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.15	29.10	28.94	30.36	30.39	30.39
EURMUR	44.15	44.12	44.07	45.53	45.66	45.86
ZARMUR	2.59	2.56	2.50	2.78	2.78	2.76
USDMUR	42.56	42.44	42.18	43.51	43.51	43.48
GBPMUR	51.74	51.63	51.38	53.34	53.34	53.33



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6854	0.6899	0.6854	0.6885
EURUSD	1.0377	1.0401	1.0374	1.0399
GBPUSD	1.2198	1.2226	1.2194	1.2218
USDJPY	128.33	129.36	128.27	128.67
USDCHF	1.0033	1.0042	1.0018	1.0023
USDCNH	6.83	6.84	6.80	6.83

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	31,834.11	(0.33)
S&P 500	3,930.08	(0.13)
FTSE 100	7,233.34	(1.56)
DAX	13,739.64	(0.64)
CAC 40	6,206.26	(1.01)
NIKKEI 225	26,409.37	2.57
HANGSENG	19,822.97	2.28

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
11-May	12 30	US	CPI ex Food & Energy (YoY)	Apr	6.2%	6.0%	6.5%
12-May	06 00	UK	Gross Domestic Product (QoQ) PREL	Q1	0.8%	1.0%	1.3%
12-May	12 30	US	Initial Jobless Claims	May	203K	195K	202K
16-May	02 00	CN	Retail Sales (YoY)	Apr	-	-6.0%	-3.5%

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 retreated yesterday, with the 10-year rate posting its biggest drop since March, as government paper found support from apparent safe-haven flows and stocks continued to lose ground on inflation fears.

> Yields declined as US stocks continued to be weighed down by stagflation fears, putting the S&P 500 on the brink of a bear market before a late bounce that saw indexes end off session lows.

> Meanwhile, data released on Thursday showed that the cost of wholesale goods and services rose a milder 0.5 percent in April versus the prior month, though intense inflationary pressures showed little signs of relenting.

> The yield on the 10-year US Treasury note dropped 9.5 basis points to trade at 2.815 percent, while the 2-year Treasury yield gave away 10.9 basis points to 2.520 percent. The 30-year Treasury bond yield shed 5.5 basis points to 2.985 percent.

> Today, the Bank of Mauritius will hold the auction for the 182-Day Government of Mauritius Treasury bills for a nominal amount of MUR 500 Mio as well as the 91-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 1,000 Mio.

**Market Highlights**

**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	0.75	0.60
2M	0.80	0.65
3M	0.85	0.70
4M	0.90	0.75
6M	0.95	0.80
8M	0.98	0.83
10M	1.01	0.86
1Y	1.05	0.90

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

**Local Secondary Market T-Bonds**

	Bid (%)	Offer (%)
2 year	2.15	1.95
3 year	2.55	2.35
4 Year	2.90	2.70
5 Year	3.15	2.90
10 Year	4.45	4.20
15 year	4.55	4.30
20 Year	4.90	4.65

**Key Central Bank Rates**

	Current Level (%)	Previous (%)
BOM Repo Rate	2.00	1.85
Fed Funds Rate	0.75-1.00	0.25 - 0.50
BoE Bank Rate	1.00	0.75
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.35	0.10

**Government Benchmark Yields (%)**

	2 Year	5 Year
US Bonds	2.5986	2.860
UK Bonds	1.172	1.335
German Bonds	0.093	0.579

**Money Market Rates**

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.854	1.422	1.963
GBP	-	0.974	1.241	1.648
EURIBOR	-0.571	-0.566	-0.414	-0.208

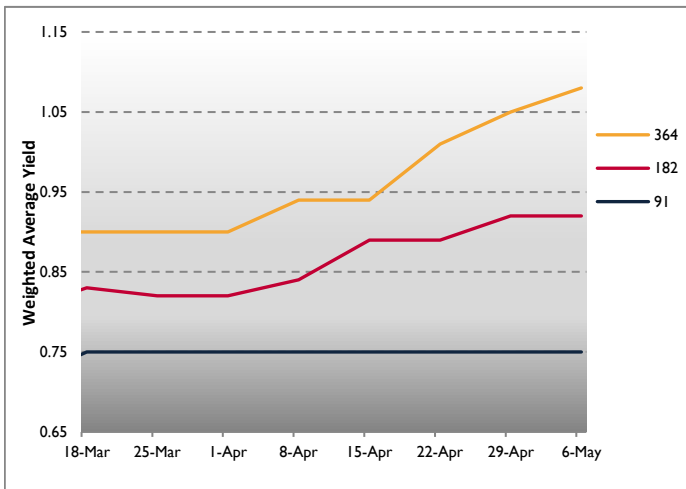
\* LIBOR rates delayed by 48 hours. Source: ICE

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	0.774	1.279	1.445	1.670
USD LIBOR - 3m	2.872	2.904	2.940	2.968

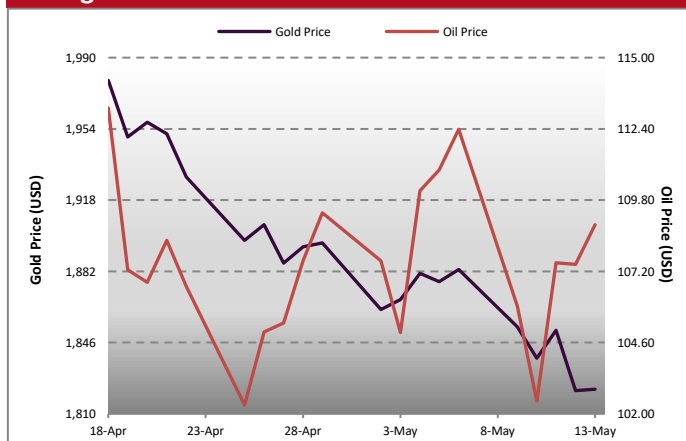
\*Pay fixed and receive floating swap

**Auction Results of Treasury Bills**



**COMMODITIES**

**Rolling Gold & Oil Prices**



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**

> Oil prices remain a volatile trade as the crude demand outlook grows more uncertain as inflation remains uncomfortably high and has accelerated global growth concerns. The market remains fixated over the EU's potential ban on Russian crude, which now seems to be losing momentum as the EU is struggling to get Hungary's support.

> Gold extended losses, hovering near a fresh three-month low of USD 1,810 an ounce, as the strongest dollar in two decades continued to sap demand for greenback-priced bullion, setting up what could be the metal's fourth consecutive weekly fall.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	109.34	1.18
Gold (\$)	1,823.25	1.53