

## FOREIGN EXCHANGE MARKET

### News

> The US dollar fell to its lowest level in about two weeks against the majority of its peers on Monday after recent strong gains as investors remained cautious ahead of the release of US inflation report for further clues on pace of rate hike from the Federal Reserve to tackle inflation.

> The euro climbed to more than a three-week high against the dollar, with ECB officials arguing for further aggressive monetary tightening. Moreover, there was some news that Ukrainian forces have made significant progress in pushing back Russian troops which supported a better tone across European markets.

> Despite lower-than-expected UK economic data, the pound continued to recover from multi-year lows against the US dollar and climbed to 1.1710, reaching the highest level since August 30 amid a positive risk tone.

> USD/JPY erased its daily gains trading around 142.50 and off its 24-year high of 144.99 hit last week.

> AUD/USD recovery continued though trade on Monday amid a sustained improvement in risk sentiment.

> The Canadian dollar rose to 1.2963 from 1.3045 and with no domestic data that had been scheduled for release on Monday, the focus remained on the Bank of Canada recent hike of 75 basis points.

> South African rand strengthened on Monday, as the dollar weakened ahead of key US inflation data due this Tuesday.

> The USD/MUR opens at MUR 44.45/USD on the offer and the EUR/MUR opens at MUR 45.32/EUR.

### Daily Technical View

EUR/USD bulls take a breather around a one-month high at 1.02, retreating to confluent level at 1.02 in an uptrend channel. A retracement towards support at 1.01 is anticipated amid cautious mood ahead of US CPI data this afternoon. A flight above double-top resistance at 1.02 would create more room for the pair to cross 1.0260.

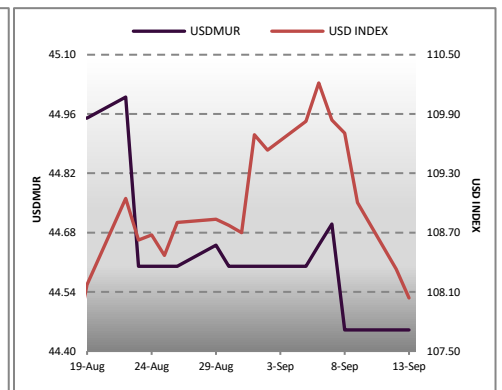
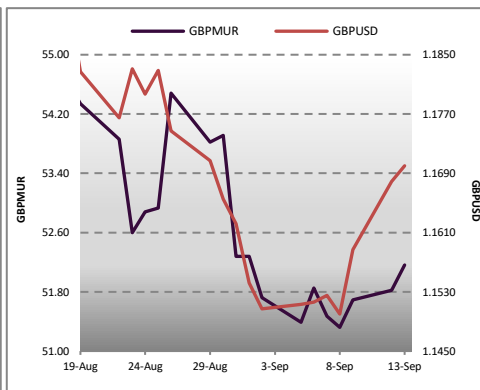
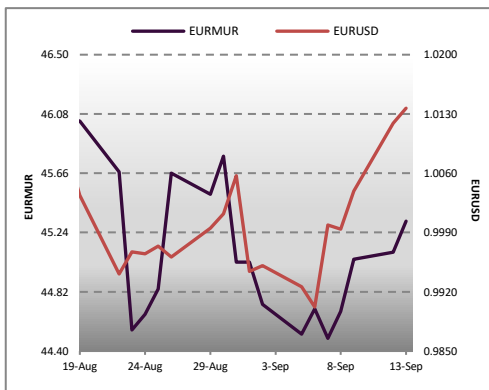
### Market Highlights

#### Indicative Spot Rates

|        | Bid   |              | Offer |              |
|--------|-------|--------------|-------|--------------|
|        | Today | Change (Rs.) | Today | Change (Rs.) |
| AUDMUR | 29.76 | 0.15         | 30.95 | 0.16         |
| CNYMUR | 6.28  | 0.02         | 6.60  | 0.02         |
| EURMUR | 44.00 | 0.21         | 45.32 | 0.22         |
| JPYMUR | 30.25 | 0.09         | 31.46 | 0.09         |
| ZARMUR | 2.50  | 0.03         | 2.66  | 0.03         |
| USDMUR | 43.55 | -            | 44.45 | -            |
| GBPMUR | 50.64 | 0.33         | 52.16 | 0.34         |

#### Indicative Forward Rates

|        | Bid   |       |       | Offer |       |       |
|--------|-------|-------|-------|-------|-------|-------|
|        | 1m    | 3m    | 6m    | 1m    | 3m    | 6m    |
| AUDMUR | 29.73 | 29.62 | 29.38 | 30.94 | 30.87 | 30.73 |
| EURMUR | 44.00 | 43.95 | 43.80 | 45.36 | 45.40 | 45.40 |
| ZARMUR | 2.49  | 2.47  | 2.42  | 2.65  | 2.64  | 2.61  |
| USDMUR | 43.47 | 43.25 | 42.85 | 44.40 | 44.27 | 44.08 |
| GBPMUR | 50.58 | 50.46 | 50.27 | 52.15 | 52.12 | 52.11 |



#### Previous Day Trading Levels

|        | Previous Day Trading Levels |        |        | Today  |
|--------|-----------------------------|--------|--------|--------|
|        | Opening                     | High   | Low    | Latest |
| AUDUSD | 0.6885                      | 0.6899 | 0.6864 | 0.6886 |
| EURUSD | 1.0121                      | 1.0150 | 1.0120 | 1.0141 |
| GBPUSD | 1.1690                      | 1.1727 | 1.1679 | 1.1712 |
| USDJPY | 142.83                      | 142.84 | 142.05 | 142.32 |
| USDCHE | 0.9531                      | 0.9539 | 0.9499 | 0.9521 |
| USDCNH | 6.92                        | 6.93   | 6.91   | 6.93   |

#### Today

#### Major Indices

|            | Value at Close | Day Change % |
|------------|----------------|--------------|
| DOW JONES  | 32,151.71      | 0.71         |
| S&P 500    | 4,110.41       | 1.06         |
| FTSE 100   | 7,473.03       | 1.66         |
| DAX        | 13,402.27      | 2.40         |
| CAC 40     | 6,333.59       | 1.95         |
| NIKKEI 225 | 28,587.28      | 0.16         |
| HANGSENG   | 19,415.87      | 0.28         |

### Major Economic Releases (at GMT)

| Date   | Time  | Country | Event                      | Period | Actual | Expected | Prior |
|--------|-------|---------|----------------------------|--------|--------|----------|-------|
| 13-Sep | 12 30 | US      | CPI ex Food & Energy (YoY) | Aug    | -      | 6.0%     | 5.9%  |
| 14-Sep | 06 00 | UK      | Consumer Price Index (YoY) | Aug    | -      | 10.2%    | 10.1% |
| 15-Sep | 12 30 | US      | Initial Jobless Claims     | Sep    | -      | 225K     | 222K  |
| 15-Sep | 12 30 | US      | Retail Sales (MoM)         | Aug    | -      | 0.0%     | 0.0%  |

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

**News**

> US Treasury yields strengthened on Monday, with the policy-sensitive two-year rate notching an almost 15-year high, ahead of the August inflation reading.

> The yield on the 2-year US Treasury note firmed to 3.571percent, its highest level since November 7, 2007, while the 10-year note yield rose to 3.361 percent. The long-bond yield peaked at 3.513 percent.

> The 10-year to 2-year spread of minus 23 basis points means the yield remained inverted, signaling a looming economic downturn.

> Markets are now pricing in a 92 percent likelihood that the US Federal Reserve will raise interest rates by another 75 basis points to a range of 3 to 3.25 percent at its next meeting.

**Market Highlights**
**Local Secondary Market T-Bills**

|     | Bid (%) | Offer (%) |
|-----|---------|-----------|
| 1M  | 0.90    | 0.75      |
| 2M  | 0.95    | 0.80      |
| 3M  | 1.00    | 0.85      |
| 4M  | 1.05    | 0.90      |
| 6M  | 1.15    | 1.00      |
| 8M  | 1.20    | 1.05      |
| 10M | 1.25    | 1.10      |
| 1Y  | 1.30    | 1.15      |

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

**Local Secondary Market T-Bonds**

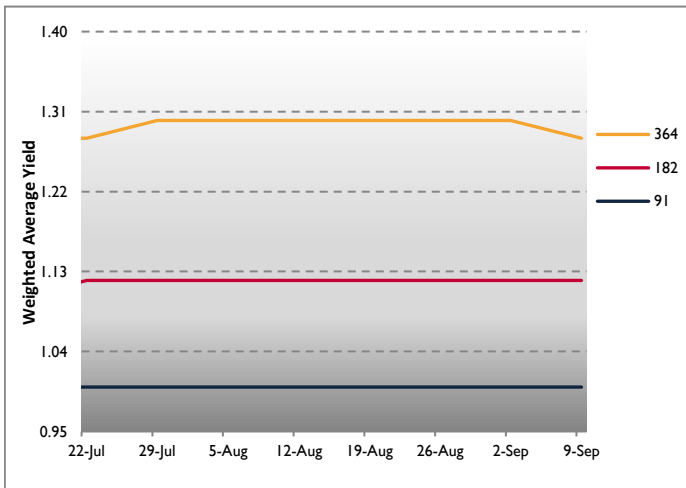
|         | Bid (%) | Offer (%) |
|---------|---------|-----------|
| 2 year  | 2.45    | 2.25      |
| 3 year  | 3.00    | 2.80      |
| 4 Year  | 3.25    | 3.05      |
| 5 Year  | 3.50    | 3.25      |
| 10 Year | 4.80    | 4.55      |
| 15 year | 5.10    | 4.85      |
| 20 Year | 5.35    | 5.10      |

**Key Central Bank Rates**

|                | Current Level (%) | Previous (%) |
|----------------|-------------------|--------------|
| BOM Repo Rate  | 2.25              | 2.00         |
| Fed Funds Rate | 2.25 - 2.50       | 1.50 - 1.75  |
| BoE Bank Rate  | 1.75              | 1.25         |
| ECB Ref. Rate  | 0.50              | 0.00         |
| RBA Cash Rate  | 2.35              | 1.85         |

**Government Benchmark Yields (%)**

|              | 2 Year | 5 Year |
|--------------|--------|--------|
| US Bonds     | 3.5406 | 3.418  |
| UK Bonds     | 3.023  | 2.953  |
| German Bonds | 1.324  | 1.501  |

**Auction Results of Treasury Bills**

**Money Market Rates**

| LIBOR* (%) | 1 Week | 1 Month | 3 Months | 6 Months |
|------------|--------|---------|----------|----------|
| EUR        | -      | -       | -        | -        |
| USD        | -      | 2.705   | 3.194    | 3.752    |
| GBP        | -      | 2.213   | 2.688    | 3.399    |
| EURIBOR    | 0.173  | 0.480   | 0.934    | 1.442    |

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

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

| Tenor          | 2yr   | 5yr   | 7yr   | 10yr  |
|----------------|-------|-------|-------|-------|
| EURIBOR - 3m   | 2.242 | 2.277 | 2.335 | 2.458 |
| USD LIBOR - 3m | 3.860 | 3.485 | 3.410 | 3.395 |

\* Pay fixed and receive floating swap

**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**

> A series of Covid-19 lockdowns in China, the world's largest crude importer, is weighing on oil prices. Focus now shifts to the OPEC's monthly outlook report due later in the day.

> Gold prices snapped a two-day uptrend as investors prefer to move to the sidelines ahead of the latest US consumer inflation figures due later today. However, the bullion continue to draw some support from a softening US dollar and growing worries about a deeper global economic downturn.

|                      | Spot Market |             |
|----------------------|-------------|-------------|
|                      | Today       | Change (\$) |
| Brent Crude Oil (\$) | 98.39       | 3.41        |
| Gold (\$)            | 1,723.20    | (0.87)      |