

FOREIGN EXCHANGE MARKET

News

- > The US dollar came under added downward pressure through trade on Thursday as investors continued to capitalize on recent gains, jumping on profit taking opportunities ahead of the release of US retail sales data later today.
- > EUR/USD edged higher to a fresh 7-week peak at 1.1481 on Thursday as the greenback struggled to find demand after US data. The annual PPI edged higher to 9.7 percent in December and the weekly initial jobless claims rose to 230,000 from 207,000.
- > GBP/USD pair extended gains to 1.3748, a fresh two month high, to finish the day with modest gains around 1.3715. The UK will today publish its November GDP and manufacturing production for the same month.
- > USD/JPY dropped below the 114.00 level hitting a three-week low of 113.65 amid persistent weakness in the US dollar.
- > Having touched a high at 0.7315 on Thursday, AUD/USD drifted back below the 0.7300 level this morning.
- > The Canadian dollar strengthened to a two-month high against its US counterpart on Thursday but later gave back much of its gains as oil prices fell.
- > South African rand slipped back on Thursday, after strong gains a day earlier when the dollar retreated on US inflation data.
- > The USD/MUR ends the week at MUR 43.65/USD on the offer, while the EUR/MUR sees another spike this morning to open at MUR 50.26/EUR, on the back of the single currency trading above 1.1450.

Daily Technical View

The post-CPI dollar slump continued as the decline in yields added to the downward pressure. EUR/USD continued its ascent to post an 8-week high at 1.1481 before retreating to 1.1450 yesterday. The pair is stretching to new session highs again this morning and a clear break above 1.1480 would target the resistance level at 1.1520/40. Intraday support lies at 1.1430/50 while 1.1380/00 should limit any further downside.

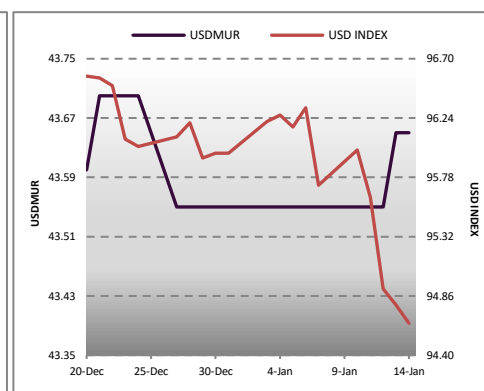
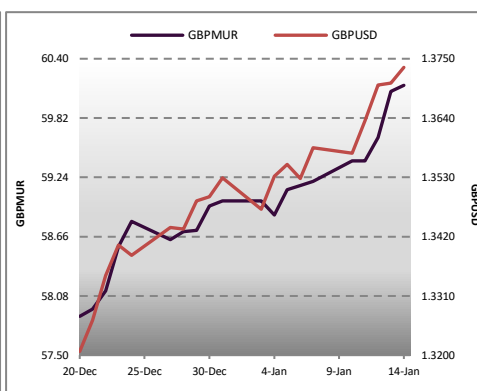
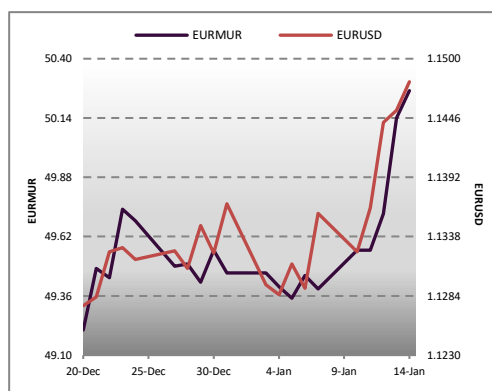
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.97	(0.03)	32.21	(0.03)
CNYMUR	6.71	-	7.05	-
EURMUR	48.80	0.12	50.26	0.12
JPYMUR	37.19	0.25	38.68	0.26
ZARMUR	2.72	(0.02)	2.90	(0.02)
USDMUR	42.75	-	43.65	-
GBPMUR	58.39	0.06	60.14	0.06

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.96	30.94	30.86	32.24	32.32	32.40
EURMUR	48.80	48.79	48.73	50.32	50.47	50.69
ZARMUR	2.70	2.67	2.61	2.90	2.89	2.88
USDMUR	42.73	42.69	42.54	43.68	43.75	43.83
GBPMUR	58.37	58.31	58.13	60.17	60.24	60.32



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7280	0.7292	0.7266	0.7292
EURUSD	1.1452	1.1482	1.1452	1.1480
GBPUSD	1.3705	1.3737	1.3706	1.3735
USDJPY	114.17	114.22	113.65	113.74
USDCHF	0.9111	0.9116	0.9095	0.9098
USDCNH	6.36	6.37	6.35	6.35

Major Indices

	Value at Close	Day Change %
DOW JONES	36,290.32	(0.49)
S&P 500	4,659.03	(1.42)
FTSE 100	7,563.85	0.16
DAX	16,031.59	0.13
CAC 40	7,201.14	(0.50)
NIKKEI 225	28,085.01	(1.42)
HANGSENG	24,270.95	(0.65)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
12-Jan	13 30	US	CPI ex Food & Energy (YoY)	Dec	5.5%	5.4%	4.9%
13-Jan	13 30	US	Initial Jobless Claims	Jan	230K	200K	207K
14-Jan	13 30	US	Retails Sales (MoM)	Dec	-	0.0%	0.3%
14-Jan	13 30	US	Retails Sales Control Group	Dec	-	0.1%	-0.1%

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

- > Yields on 10- and 30-year Treasuries fell to their lowest levels in more than a week yesterday, following a solid USD 22 billion auction of 30-year bonds and data showing US wholesale prices rose just 0.2 percent in December.
- > Data released showed that US wholesale prices rose a scant 0.2 percent in December, to mark the smallest increase in 13 months. The increase in the producer-price index fell below the 0.4 percent market forecast. Meanwhile, the advance in wholesale prices over the past year slipped to 9.7 percent from 9.8 percent in the prior month. It was the first decline in the yearly rate since early in the pandemic.
- > In other US data, initial jobless claims rose by 23,000 to 230,000 for the week ended January 8, the highest since mid-November.
- > The 10-year Treasury note yield declined to 1.708 percent from 1.724 percent on Wednesday, while the 30-year Treasury bond yield weakened to 2.053 percent. The 2-year Treasury note rate declined less than 1 basis point to 0.897 percent.
- > Today, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 700 Mio as well as the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 1,500 Mio.

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	0.72	0.57
6M	0.75	0.60
8M	0.78	0.63
10M	0.82	0.67
1Y	0.85	0.70

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	1.95	1.75
3 year	2.35	2.15
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.25	4.00
15 year	4.50	4.25
20 Year	4.80	4.55

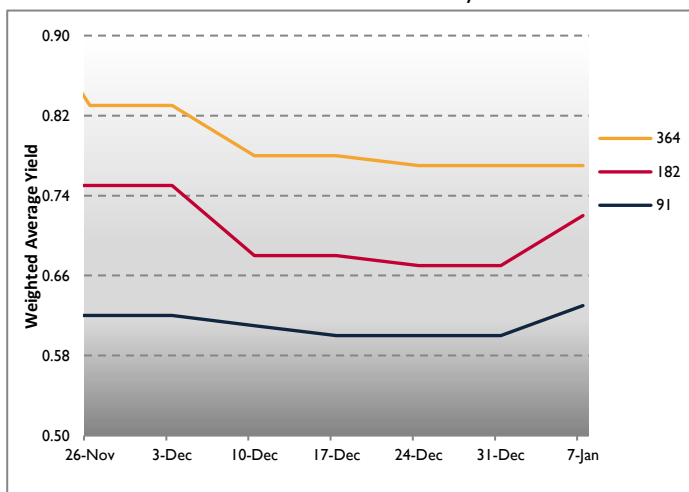
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	1.85	1.85
Fed Funds Rate	0.00 - 0.25	0.00 - 0.25
BoE Bank Rate	0.25	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	0.9201	1.500
UK Bonds	0.777	0.938
German Bonds	-0.611	-0.415

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.110	0.238	0.384
GBP	-	0.298	0.511	0.834
EURIBOR	-0.580	-0.563	-0.563	-0.529

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.289	0.014	0.127	0.296
USD LIBOR - 3m	1.122	1.586	1.695	1.784

*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 was up this morning in Asia and was set for its best weekly gain since November 2021 on the back of a weakening dollar Index and lower US Treasury yields. Investors now await US retail sales data that could provide further clarity regarding the US Federal Reserve's monetary policy.
- > Oil prices eased over growing concerns that the US would implement measures to cool prices and that the latest Covid-19 outbreaks in China could dent fuel demand in the country. However, losses were capped by a tight supply market in Libya and Kazakhstan as well as a fall in US crude inventories to 2018 lows.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	87.80	(0.07)
Gold (\$)	1,827.73	5.64