

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended flat against most peers on Friday following the release of upbeat US August inflation figures, which ticked higher to 1.7 percent from 1.6 percent.
- > This week the Federal Reserve will meet on Wednesday for the final time before the November 3 Presidential election with investors hoping to learn more about its decision to tolerate higher inflation.
- > EUR/USD pair ended the week unchanged around 1.1840 while this Monday, the EU will publish July industrial production.
- > GBP/USD fell sharply to 1.2762, continuing a sharp decline that started on 1st September. The pound declined after the eighth round of Brexit talks ended without a deal, increasing the likelihood of a no-deal Brexit.
- > AUD/USD is trading just below the 0.73 level as the Aussie continues to take momentum from global risk sentiment which bounced from risk on to risk off and then back to risk on last week.
- > The Canadian dollar nudged higher against its US counterpart on Friday as oil prices steadied.
- > South African rand firmed to 16.73 per dollar, shaking off negative news on the domestic economy.
- > The market opens at the same levels for the USD/MUR, with the market opening at MUR40.20/USD on the offer. The latest data shows the market demand exceeding the supply by 15.7 Mio approximately as at Thursday.
- > The GBP/MUR opens 3 cents lower this morning, with the market awaiting the UK inflation data and Brexit vote later today.

### Daily Technical View

EUR/USD-On Friday, the single currency rallied to a session high of 1.1874 against the USD, on the back of buying in the EUR-crosses especially against GBP, but better than expected US CPI data in July enabled the greenback to close the day marginally lower at 1.1845. This week market focus will be on Wednesday's FOMC meeting and the key levels ahead of the event remain 1.1750 and 1.1920, intra-day trading is expected to be in a 1.1810-1.1885 range.

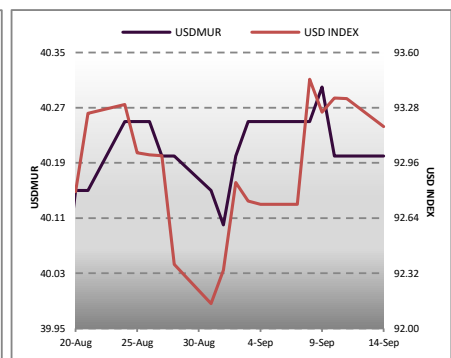
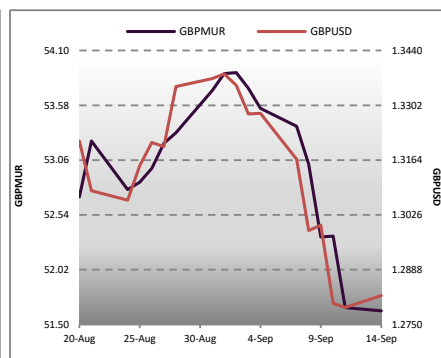
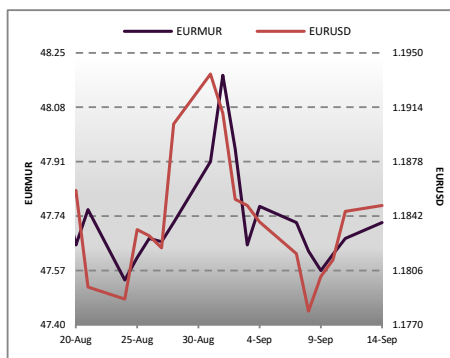
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.46	0.01	29.60	0.01
CNYMUR	5.75	0.01	6.04	0.01
EURMUR	46.33	0.05	47.72	0.05
JPYMUR	36.68	0.04	38.15	0.04
ZARMUR	2.31	0.02	2.46	0.02
USDMUR	39.30	-	40.20	-
GBPMUR	50.13	(0.03)	51.63	(0.03)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.47	28.51	28.57	29.65	29.75	29.91
EURMUR	46.42	46.61	46.88	47.83	48.09	48.48
ZARMUR	2.30	2.28	2.25	2.45	2.44	2.41
USDMUR	39.30	39.31	39.33	40.22	40.28	40.38
GBPMUR	50.17	50.28	50.42	51.70	51.87	52.13



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7268	0.7288	0.7270	0.7283
EURUSD	1.1838	1.1854	1.1831	1.1849
GBPUSD	1.2801	1.2831	1.2778	1.2825
USDJPY	106.15	106.19	106.02	106.04
USDCHE	0.9093	0.9098	0.9083	0.9089
USDCNH	6.83	6.84	6.83	6.83

#### Major Indices

	Value at Close	Day Change %
DOW JONES	27,534.58	0.48
S&P 500	3,340.97	0.05
FTSE 100	6,032.09	0.48
DAX	13,202.84	(0.05)
CAC 40	5,034.14	0.20
NIKKEI 225	23,537.20	0.56
HANGSENG	24,628.11	0.51

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
11-Sep	12 30	US	CPI ex Food & Energy (MoM)	Aug	0.4%	0.2%	0.6%
14-Sep	-	UK	Parliamentary Vote on Brexit	-	-	-	-

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

- > The US consumer-price index for August rose 0.4 percent, beating average estimates for a rise of 0.3 percent, but falling below the past two months at 0.6 percent. On a year-over-year basis, the CPI increased 1.3 percent after gaining 1.0 percent in July on Friday.
- > The US Treasury Department announced that the federal budget deficit officially surpassed USD 3 trillion in August, and is on pace to hit USD 3.3 trillion when the fiscal year ends this month.
- > The yield on the 10-year Treasury note gave up 1.6 basis point trading at 0.668 percent, a weekly decline of 5.2 basis points.

- > Asian shares strengthened during today's session on renewed hopes for a coronavirus vaccine, after AstraZeneca resumed its phase-3 trial though sentiment was still cautious ahead of a big week of central bank meetings in UK, Japan and the US.
- > During the last week, the Bank of Mauritius received applications for 182 -Day Government of Mauritius Treasury Certificates, for a total amount of MUR 470 Mio at an interest rate of 1.10 percent.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.55	0.40
2M	0.60	0.45
3M	0.65	0.50
4M	0.75	0.60
6M	0.90	0.75
8M	1.10	0.95
10M	1.25	1.10
1Y	1.40	1.25

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	1.70	1.50
3 year	1.85	1.65
4 Year	2.00	1.80
5 Year	2.20	1.95
10 Year	2.60	2.35
15 year	2.90	2.65
20 Year	3.20	2.95

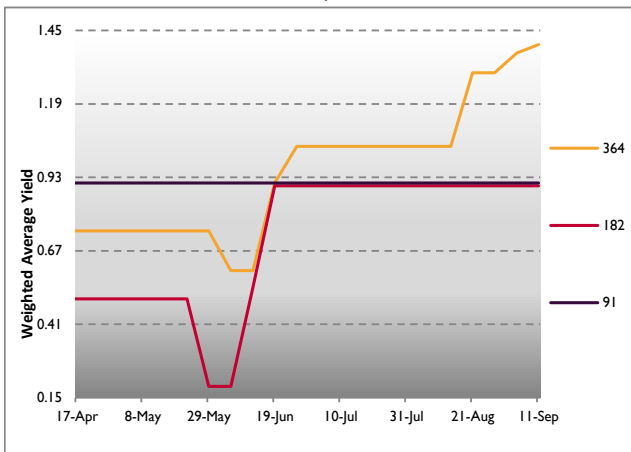
#### Key Central Bank Rates

	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	0.25	0.25

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.131	0.252
UK Bonds	-0.135	-0.121
German Bonds	-0.695	-0.697

#### Local Treasury Bills Market



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.557	-0.560	-0.512	-0.488
USD	0.108	0.151	0.250	0.285
GBP	0.056	0.052	0.059	0.091
EURIBOR	-0.538	-0.535	-0.488	-0.458

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

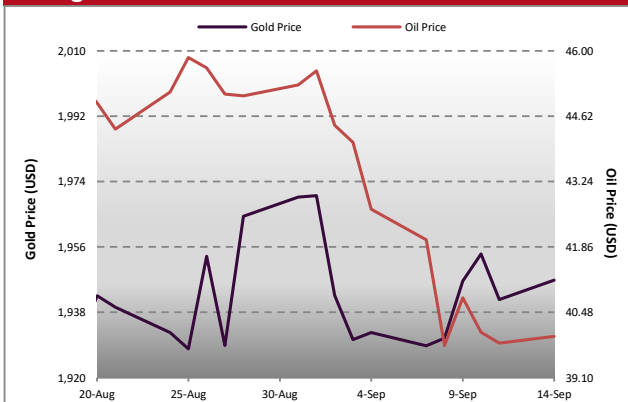
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.492	-0.440	-0.358	-0.210
USD LIBOR - 3m	0.211	0.331	0.476	0.680

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

- > Disappointing ECB led gold prices lower on Friday, as markets participants expected more stimulus. This morning, the yellow metal is edging higher against a weak US dollar ahead of the highly awaited Fed 2-day policy meeting this week. Investors will also watch BoE and BoJ decisions tomorrow.
- > Oil benchmark contracts posted a second consecutive week of declines amid abundant supply and declining demand.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	38.94	(0.56)
Gold (\$)	1,945.76	4.26