

## FOREIGN EXCHANGE MARKET

### News

> The greenback rallied across the board on Tuesday following a surprise uptick in US inflation data which triggered speculations of an aggressive rate hike from the Federal Reserve at its next meeting in order to tackle inflation.

> EUR/USD slipped back below parity after hitting a nearly one-month high of 1.0198 in the previous session following the release of US inflation data.

> GBP/USD strengthened to a two-week high of 1.1738 on UK jobs report. However, the pair later tumbled to 1.1490, undermined by USD broad-based rally ahead of the UK CPI data later today.

> USD/JPY rose as high as 144.965 yen in the Asian session this morning amid a jump in US yields.

> AUD/USD pair retreated from a two-week high touched earlier on Tuesday and fell to 0.6725 amid a strong pickup in US dollar demand.

> USD/CAD dropped to its lowest level in over two weeks near 1.2950 on Tuesday but reversed its direction and rose sharply above 1.3100 on the back of renewed dollar strength.

> South African rand weakened on Tuesday as the dollar was buoyed by stronger-than-expected US inflation data while on the local economic data front, figures from Statistics South Africa showed that the country's total mining output in July dropped 8.4 percent year on year.

> The USD/MUR opens at MUR 44.50/USD on the offer and the EUR/MUR opens at MUR 44.74/EUR.

### Daily Technical View

EUR/USD – The single currency failed to cross the descending trend channel at a high at 1.0187 and nosedived 232 pips to test 0.9955 level post US CPI reports. A retracement of the pair towards resistance at 1.0045 could be seen today, followed by further acceleration of the downward momentum to flaunt support at 0.9900.

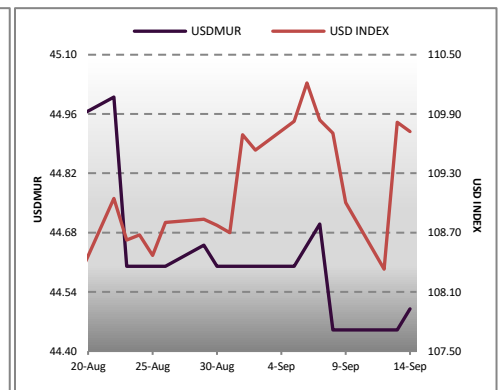
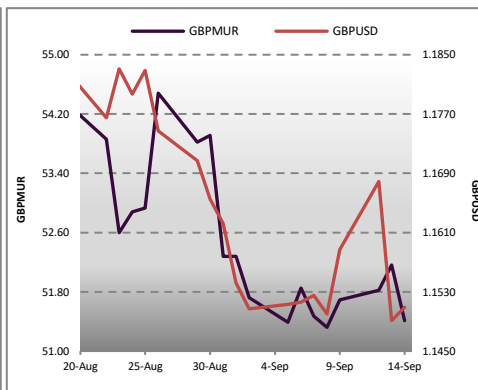
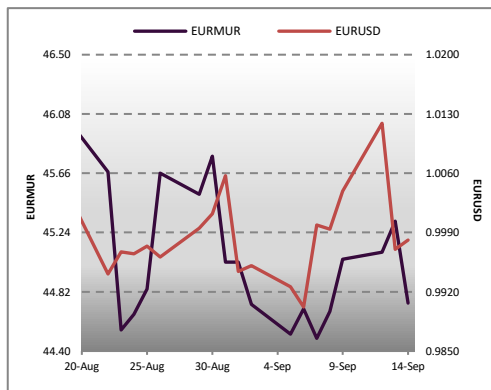
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.18	(0.58)	30.35	(0.60)
CNYMUR	6.25	(0.03)	6.57	(0.03)
EURMUR	43.44	(0.56)	44.74	(0.58)
JPYMUR	29.89	(0.36)	31.09	(0.37)
ZARMUR	2.46	(0.04)	2.62	(0.04)
USDMUR	43.60	0.05	44.50	0.05
GBPMUR	49.91	(0.73)	51.41	(0.75)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.14	29.02	28.80	30.33	30.25	30.13
EURMUR	43.44	43.39	43.23	44.78	44.81	44.81
ZARMUR	2.45	2.43	2.38	2.61	2.60	2.57
USDMUR	43.52	43.30	42.90	44.45	44.32	44.13
GBPMUR	49.85	49.73	49.55	51.40	51.37	51.36



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6729	0.6748	0.6706	0.6719
EURUSD	0.9967	1.0002	0.9957	0.9983
GBPUSD	1.1492	1.1531	1.1481	1.1514
USDJPY	144.57	144.95	143.30	143.44
USDCHF	0.9613	0.9627	0.9601	0.9616
USDCNH	6.98	6.98	6.96	6.98

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	32,381.34	(3.94)
S&P 500	3,932.69	(4.32)
FTSE 100	7,314.74	(0.96)
DAX	13,188.95	(1.59)
CAC 40	6,245.69	(1.39)
NIKKEI 225	27,910.93	(2.47)
HANGSENG	18,855.95	(2.44)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
13-Sep	12 30	US	CPI ex Food & Energy (YoY)	Aug	6.3%	6.1%	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%

**News**

> Treasury yields staged a rally on Tuesday, after the August US consumer-price index came in at a higher-than-expected 8.3 percent, reinforcing expectations that the Federal Reserve will continue to aggressively raise interest rates.

> The yield on the 2-year US Treasury rallied to 3.754 percent, its highest level since November 2007, while the yield on the 10-year Treasury gained 6.1 basis points to 3.422 percent. The yield on the 30-year Treasury weakened slightly to 3.506 percent.

> The Treasury yield curve went more deeply negative, with the spread between 2- and 10-year yields shrinking to minus 33 basis points.

> Tomorrow, the Bank of Mauritius will hold the auction for the 7-Day Bank of Mauritius Bills for a nominal amount of MUR 500 Mio.

**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	3.7776	3.611
UK Bonds	3.128	3.098
German Bonds	1.423	1.625

**Money Market Rates**

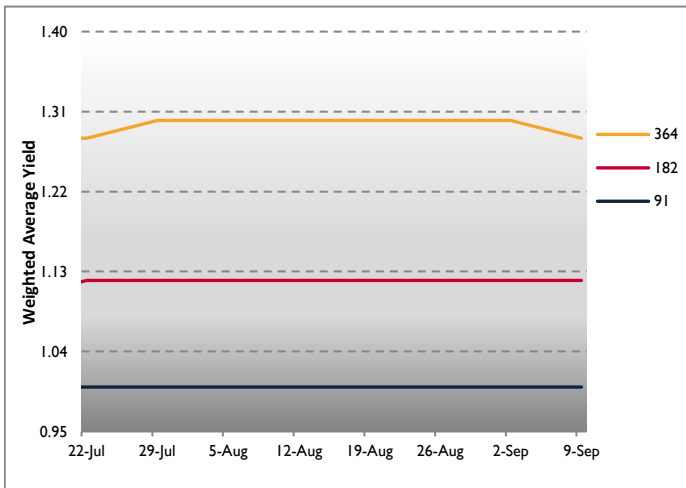
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	2.783	3.270	3.806
GBP	-	2.152	2.683	3.414
EURIBOR	0.374	0.586	0.988	1.494

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.409	2.457	2.486	2.578
USD LIBOR - 3m	4.168	3.668	3.562	3.521

\* Pay fixed and receive floating swap

**Auction Results of Treasury Bills**

**COMMODITIES**
**Rolling Gold & Oil Prices**


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

**News**

> A strong US dollar and waning hopes that the Fed could scale back its rate policy tightening in the coming months weighed on oil prices, outweighing support from a robust OPEC oil demand growth forecast.

> Bullion prices briefly dipped below the USD 1,700 level on Tuesday after data showed the US consumer price index grew more than expected in August, cementing expectations that the Federal Reserve will not let up in its tightening path this year.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	96.05	(2.33)
Gold (\$)	1,701.30	(0.25)