

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar lost some ground on Friday on broad-based profit taking after the University of Michigan consumer sentiment index for November dropped to 66.8, lower than the 71.7 in October, marking the lowest reading since November 2011.
- > The main event on the US economic calendar this week will be October US retail sales data, due out on Tuesday. Meanwhile, UK employment numbers on Tuesday will be closely watched after the Bank of England indicated that it wanted more evidence of improvement in the labor market when it surprised markets by failing to deliver a widely expected rate hike earlier this month. The jobs data will be followed by inflation numbers on Wednesday and retail sales figures on Friday.
- > EUR/USD failed to benefit strongly from the weaker greenback, remaining near its weekly lows. This week, the macroeconomic calendar includes the second release of the EU GDP for the third quarter on Tuesday while the final October inflation figures will be released on Thursday.
- > GBP/USD rebounded to 1.3424, after hitting a fresh 2021 low on Friday, as the EU stated that it was committed to coming to an agreement with the UK regarding Northern Ireland.
- > USD/JPY dropped to 113.75 on Friday, hitting a two day low as limited gains in equity markets and lower US yields boosted Japanese yen across the board.
- > The Canadian dollar was little changed against the greenback on Friday, holding near its weakest level in more than five weeks as oil prices fell ahead of the Canadian inflation report for October, due on Wednesday.
- > The BoM intervened on the domestic foreign exchange market on Friday and injected a total of USD 15 Mio at the price of MUR 42.85/USD. This is the second intervention for the month, bringing the total to USD 30 Mio injected by the Central Bank.
- > Post intervention, the USD/MUR reaches an all-time high of MUR 43.30/USD on the offer, while the EUR/MUR opens at MUR 49.78/EUR.

### Daily Technical View

EUR/USD - After trading to a fresh yearly low of 1.1434 on Friday the pair has recovered to 1.1463 in Asia this morning amid an improvement in market mood after Chinese activity data hinted at a steady economic recovery. Intra-day resistance lies at 1.1530 level and as long as it holds we expect the market to target cluster support in the 1.1365/1.1420 area.

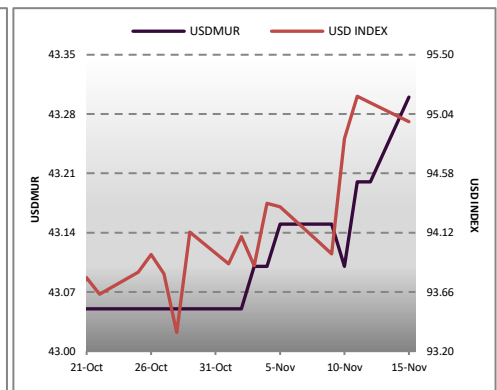
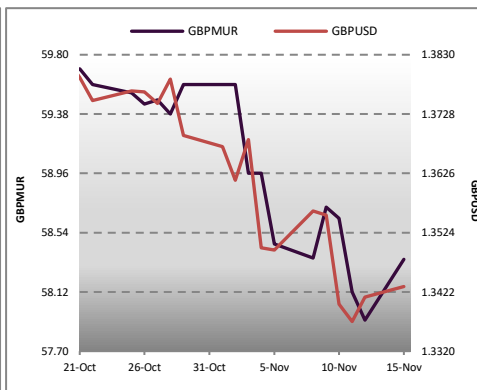
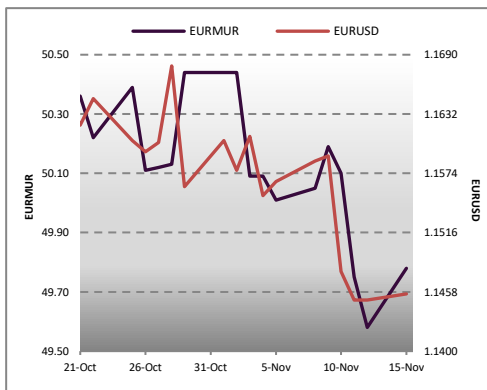
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.97	0.31	32.21	0.32
CNYMUR	6.64	0.03	6.98	0.03
EURMUR	48.33	0.19	49.78	0.20
JPYMUR	36.83	0.17	38.33	0.20
ZARMUR	2.72	-	2.90	-
USDMUR	42.40	0.10	43.30	0.10
GBPMUR	56.65	0.42	58.35	0.43

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.96	30.94	30.90	32.23	32.29	32.39
EURMUR	48.32	48.30	48.26	49.84	49.98	50.23
ZARMUR	2.70	2.66	2.60	2.90	2.90	2.90
USDMUR	42.38	42.34	42.21	43.33	43.41	43.51
GBPMUR	56.64	56.61	56.47	58.39	58.49	58.62



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7325	0.7350	0.7322	0.7347
EURUSD	1.1450	1.1463	1.1442	1.1457
GBPUSD	1.3419	1.3439	1.3412	1.3434
USDJPY	113.90	114.04	113.77	113.88
USDFX	0.9207	0.9213	0.9188	0.9197
USDCNH	6.38	6.38	6.37	6.38

#### Major Indices

	Value at Close	Day Change %
DOW JONES	35,921.23	0.50
S&P 500	4,682.85	0.72
FTSE 100	7,347.91	(0.49)
DAX	16,094.07	0.07
CAC 40	7,091.40	0.45
NIKKEI 225	29,755.29	0.49
HANGSENG	25,337.06	0.04

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
12-Nov	15 00	US	Michigan Consumer Sentiment Index	Nov	66.8	72.4	71.7
15-Nov	02 00	CN	Retail Sales (YoY)	Oct	4.9%	3.5%	4.4%
16-Nov	10 00	EU	Gross Domestic Product s.a. (YoY) PREL	Q3	-	-	3.7%
16-Nov	13 30	US	Retail Sales (MoM)	Oct	-	0.7%	0.7%

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

- > US bond yields saw a modest drop on Friday as data showed consumer sentiment plunged to a 10-year low on inflation worries, leaving traders trying to gauge the pace of future central bank interest rate hikes.
- > The yield on the US five-year note was up 2.3 basis points at 1.2357 percent, after earlier in the day reaching 1.263 percent, the highest since February 2020 and up five basis points from Wednesday, the last trading day before bond markets were closed on Thursday.
- > Other Treasuries fell back as the University of Michigan consumer sentiment index showed little belief that policymakers are taking sufficient steps to tame inflation.

- > Short-dated German bond yields fell sharply on Friday even as money markets priced two full European Central Bank rate hikes by the end of next year.
- > The result of the 364-Day Government of Mauritius was as follows: out of 7 bids received, only 2 were successful, with the weighted average yield published at 0.96 percent and the bid to cover ratio at 0.50.
- > As for the 91-Day and 182-Day Bank of Mauritius Treasury Bills, the weighted average yields were published at 0.62 percent and 0.82 percent respectively.

### 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	0.85	0.70
8M	0.95	0.80
10M	1.00	0.85
1Y	1.05	0.90

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.75	2.55
5 Year	3.05	2.80
10 Year	4.50	4.25
15 year	4.75	4.50
20 Year	5.00	4.75

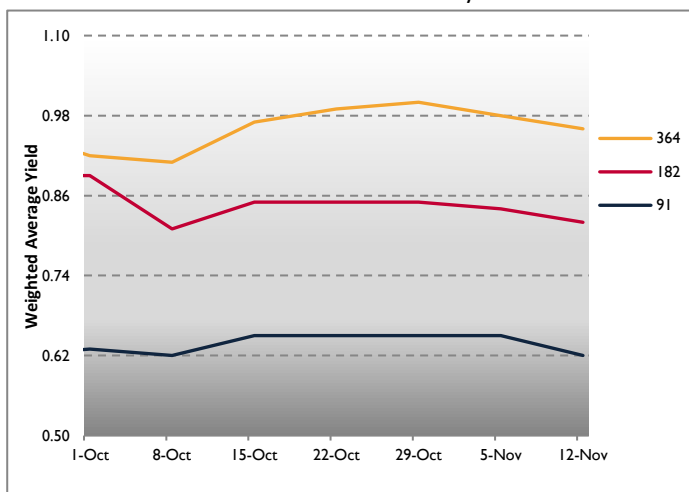
#### Key Central Bank Rates

	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	0.10	0.10

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.5096	1.211
UK Bonds	0.533	0.672
German Bonds	-0.746	-0.568

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.583	-0.576	-0.573	-0.551
USD	0.076	0.089	0.155	0.226
GBP	0.040	0.055	0.109	0.299
EURIBOR	-0.569	-0.566	-0.562	-0.533

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.341	-0.099	0.001	0.167
USD LIBOR - 3m	0.740	1.316	1.474	1.606

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > Oil was down this morning in Asia, with US President Joe Biden facing increasing pressure to release supplies from the Strategic Petroleum Reserve (SPR) amid soaring prices. Added supply with the easing of restrictions on Iranian oil exports could also push prices down.
- > Rising inflation and falling long-end bond yields propelled the bullion to a more than five-month peak on Friday. However, gold lost some strength during the Asian session, but remained firmly above the USD 1,800 mark, as a robust dollar dimmed its appeal.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	83.49	(0.14)
Gold (\$)	1,858.10	(5.94)