

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar ended lower across the board on Monday on improved risk sentiment after a positive news about a COVID-19 vaccine lifted the mood in global equity markets.
- > EUR/USD pair peaked at 1.1887 as the greenback eased against all of its major peers. This Tuesday, Germany will publish the September ZEW survey while the US will publish August industrial production and capacity utilisation.
- > Despite the Brexit-related turmoil, GBP/USD pair reached a high of 1.2918 on the back of the dollar weakness. The UK will today publish its latest employment data.
- > USD/JPY dropped to a fresh 2-week low of 105.54 amid a recovery in the risk sentiment and US dollar retreat.
- > AUD/USD rallied above 0.7300 following the RBA September meeting minutes this morning and upbeat Chinese activity numbers for August.
- > The Canadian dollar was little changed against its US counterpart on Monday. Canada inflation report for August is due on Wednesday while the July retail sales report is set for Friday.
- > South African rand firmed to 16.6725 per dollar on Monday, lifted by improved risk appetite globally as a coronavirus vaccine trial was back on track.
- > The Bank of Mauritius intervened on the domestic foreign exchange market yesterday and sold a total of USD 25 Mio at the rate of MUR 39.75/USD. From last data retrieved for the second week of trading, the market demand surpassed the supply by USD 23.5 Mio prior to the intervention.
- > The USD/MUR maintains the MUR40.20/USD psychological level at the open this morning despite the intervention from the Central Bank. With the single currency on the rise on international markets, trading near the 1.1900 handle, it might be an indication that the supply of foreign currency on the local market is expected to remain tight.

### Daily Technical View

EUR/USD- The EUR traded to a session high of 1.1890 against the USD in early Asian trade today, buoyed by rising equities and on hopes of a Covid-19 vaccine after AstraZeneca resumed clinical trials. Intra-day resistance is at 1.1920 and a clear breach will target the year's high at 1.2011, whereas on the downside 1.1800/30 area is expected to provide support on dips.

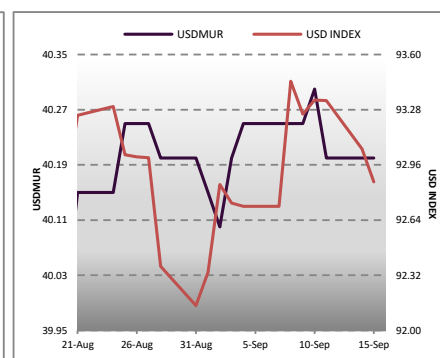
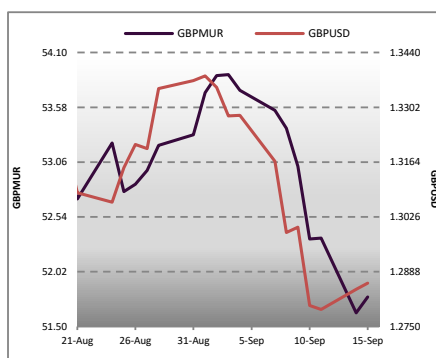
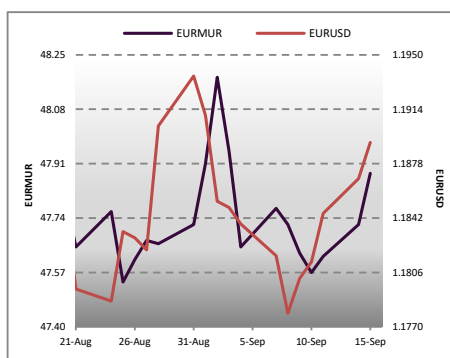
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.62	0.16	29.76	0.16
CNYMUR	5.78	0.03	6.08	0.04
EURMUR	46.49	0.16	47.88	0.16
JPYMUR	36.81	0.13	38.28	0.13
ZARMUR	2.32	0.01	2.47	0.01
USDMUR	39.30	-	40.20	-
GBPMUR	50.27	0.14	51.78	0.15

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.63	28.67	28.73	29.81	29.91	30.07
EURMUR	46.58	46.77	47.05	47.99	48.25	48.64
ZARMUR	2.31	2.29	2.26	2.46	2.45	2.42
USDMUR	39.30	39.31	39.33	40.22	40.28	40.38
GBPMUR	50.31	50.42	50.56	51.85	52.02	52.28



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7290	0.7335	0.7268	0.7330
EURUSD	1.1863	1.1899	1.1860	1.1899
GBPUSD	1.2839	1.2876	1.2816	1.2874
USDJPY	105.71	105.74	105.61	105.65
USDCHF	0.9082	0.9088	0.9062	0.9063
USDCNH	6.81	6.81	6.78	6.78

#### Major Indices

	Value at Close	Day Change %
DOW JONES	27,665.64	1.18
S&P 500	3,383.54	1.27
FTSE 100	6,026.25	(0.10)
DAX	13,193.66	(0.07)
CAC 40	5,051.88	0.35
NIKKEI 225	23,429.74	(0.55)
HANGSENG	24,708.28	0.28

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
15-Sep	09 00	EU	ZEW Survey	Sep	-	62	64
15-Sep	13 15	US	Industrial Production	Aug	-	1%	3%

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 Treasury yields struggled for direction yesterday, as investors looked past the buoyant tone in risk assets and waited for the Federal Reserve meeting this week.

> Global equity markets finished sharply higher, with the S&P 500 and Dow Jones Industrial Average taking back a chunk of last week's losses. However, the optimism around risk assets did not appear to weigh on appetite for safe-haven assets like government paper, with investors mostly focused on the coming US Federal Reserve meeting.

> The 10-year Treasury note yield was virtually unchanged at 0.669 percent, while the 2-year note rate edged 0.6 basis point higher to 0.135 percent. The 30-year bond yield gave away 0.9 basis point to trade at 1.409 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

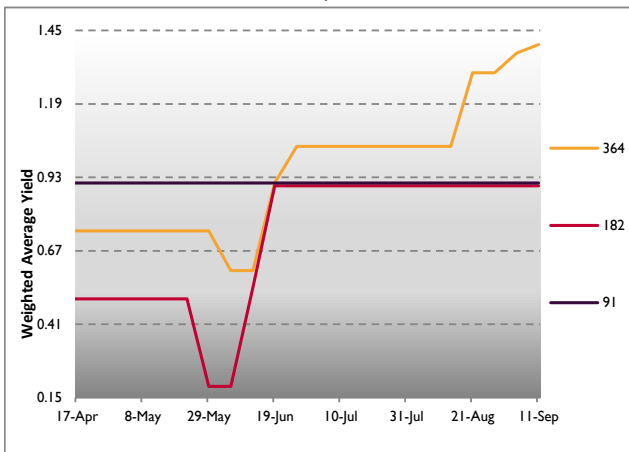
#### Key Central Bank Rates

	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	0.137	0.263
UK Bonds	-0.091	-0.095
German Bonds	-0.696	-0.693

#### Local Treasury Bills Market



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.585	-0.560	-0.507	-0.494
USD	0.103	0.152	0.250	0.282
GBP	0.053	0.051	0.057	0.081
EURIBOR	-0.530	-0.516	-0.484	-0.455

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

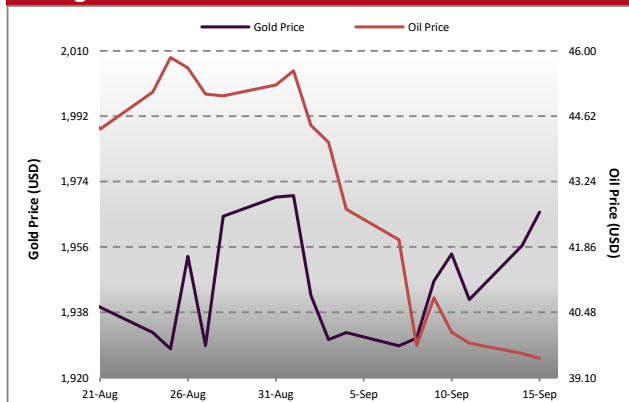
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.512	-0.459	-0.385	-0.245
USD LIBOR - 3m	0.234	0.337	0.481	0.684

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

> The weakness in the US dollar pushed the precious metal higher while remarks from US Treasury Secretary Steven Mnuchin also supported gold prices.

> Oil prices edged lower as market sentiment remained gloomy amid the slow recovery in fuel demand.

> Short covering ahead of OPEC+ meeting due later this week however capped losses in oil prices.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	38.43	(0.50)
Gold (\$)	1,968.03	11.66