

## FOREIGN EXCHANGE MARKET

### News

- > The greenback eased in NY trading after hitting fresh multi-month lows against major peers on Friday as investors digested the inflation data. Data released on Friday showed the University of Michigan consumer sentiment index rose in January to 64.6, surpassing expectations of 60.5 and above the 59.7 of December.
- > The US will today celebrate the Martin Luther King holiday, with markets closed while the highlight of the week is the Bank of Japan monetary policy meeting. This week the US will release December retail sales and the PPI for the same month.
- > EUR/USD is rallying towards 1.0900 in the Asian trade this morning as the US dollar has come under renewed selling pressure across the board amid a better market mood and holiday-thinned trading.
- > USD/JPY dropped below 128.00 for the first time since May 2022 on news that the Bank of Japan would increase its bond-buying.
- > GBP/USD erased losses and ended the week above 1.2200. The focus today shifts toward the Bank of England Governor Andrew Bailey's testimony before the UK Parliament Treasury Select Committee ahead of the UK CPI data and retail sales figures later in the week.
- > AUD/USD soared above the psychological level of 0.7000 for the first time since August 2022 this morning as the pair capitalized on broad-based US dollar weakness and an upbeat market mood.
- > The Canadian dollar weakened against its US counterpart on Friday ahead of Canadian consumer price index data for December, due on Tuesday which could offer clues on the Bank of Canada policy outlook.
- > USD/MUR sees no change overnight, still trading at MUR 44.10/USD while EUR/MUR opens at MUR 48.00/EUR on the offer.

### Daily Technical View

EUR/USD – The single currency extended its winning streak to a high at 1.0875, on the back of a weaker dollar following US Fed monetary policy status. The next level on the watchlist is 1.0940, where divergence could happen. On the flipside, a plunge below support at 1.0760 could confirm near-term correction.

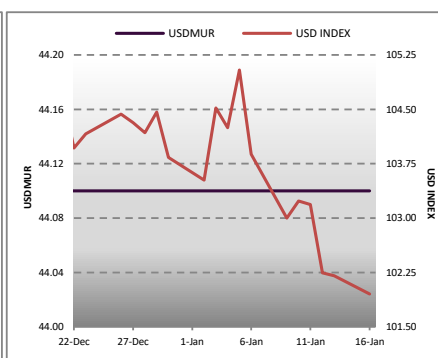
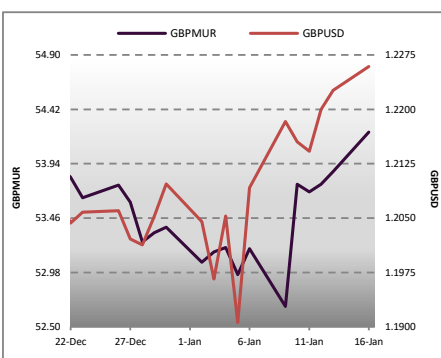
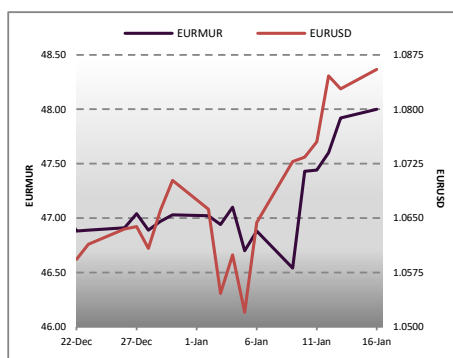
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.11	0.23	31.59	0.25
CNYMUR	6.43	0.03	6.76	0.03
EURMUR	46.60	0.08	48.00	0.08
JPYMUR	33.58	0.48	35.36	0.51
ZARMUR	2.54	-	2.71	-
USDMUR	43.20	-	44.10	-
GBPMUR	52.64	0.34	54.22	0.35

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.10	30.06	29.97	31.60	31.61	31.62
EURMUR	46.62	46.65	46.60	48.07	48.19	48.30
ZARMUR	2.53	2.51	2.47	2.70	2.69	2.67
USDMUR	43.13	42.97	42.70	44.07	44.00	43.93
GBPMUR	52.59	52.50	52.40	54.22	54.24	54.30



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6976	0.7019	0.6969	0.6996
EURUSD	1.0832	1.0873	1.0821	1.0863
GBPUSD	1.2214	1.2289	1.2215	1.2266
USDJPY	127.83	128.20	127.23	127.62
USDCHF	0.9265	0.9275	0.9220	0.9242
USDCNH	6.71	6.72	6.70	6.71

#### Major Indices

	Value at Close	Day Change %
DOW JONES	34,189.97	0.33
S&P 500	8,523.32	0.40
FTSE 100	7,844.07	0.64
DAX	15,086.52	0.19
CAC 40	7,023.50	1.43
NIKKEI 225	25,808.94	(2.42)
HANGSENG	21,712.40	(0.12)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
13-Jan	07 00	UK	Gross Domestic Product (MoM)	Nov	0.1%	-0.2%	0.5%
13-Jan	15 00	US	Michigan Consumer Sentiment Index	Jan	64.6	60.5	59.7
17-Jan	02 00	CN	Gross Domestic Product (YoY)	Q4	-	1.8%	3.9%
17-Jan	07 00	UK	ILO Unemployment Rate (3M)	Nov	-	3.7%	3.7%

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 Treasury yields strengthened on Friday after data showed that US inflation continued to cool in December.
- > The December consumer-price index on Thursday showed that inflation continued to ease in line with forecasts, while Philadelphia Federal Reserve Bank President Mr. Patrick Harker stated that it would likely be appropriate for the Central Bank to lift rates in increments of 25 basis points. The Fed last year delivered a several 50- and 75-basis-point increases.

- > The 2-year US Treasury note yield gained 10 basis points to trade at 4.238 percent, while the 10-year Treasury yield added 6.4 basis points to 3.51 percent. The long-bond yield rose by 4.8 basis points, trading at 3.62 percent.
- > US markets will be closed today for the Martin Luther King Jr. Day holiday.
- > The New Monetary Policy Framework established by the Bank of Mauritius will be effective as from today.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	2.85	2.70
2M	3.00	2.85
3M	3.15	3.00
4M	3.25	3.10
6M	3.40	3.25
8M	3.48	3.33
10M	3.57	3.42
1Y	3.65	3.50

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.25	4.05
3 year	4.90	4.70
4 Year	5.05	4.85
5 Year	5.25	5.00
10 Year	6.00	5.75
15 year	6.30	6.05
20 Year	6.55	6.30

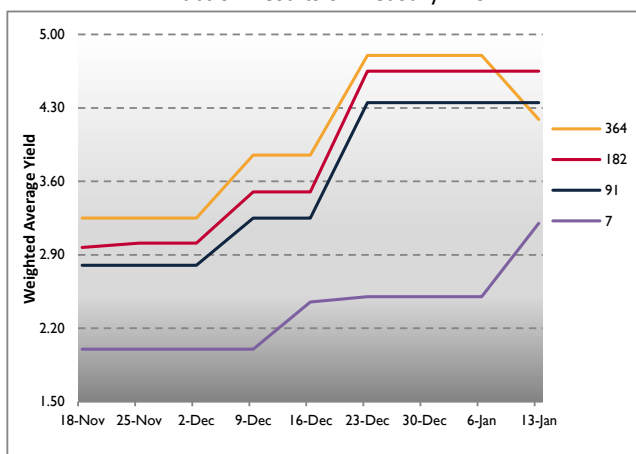
#### Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	4.50	4.00
Fed Funds Rate	4.25 - 4.50	3.75 - 4.00
BoE Bank Rate	3.50	3.00
ECB Ref. Rate	2.50	2.00
RBA Cash Rate	3.10	2.85

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.2237	3.597
UK Bonds	3.449	3.289
German Bonds	2.589	2.210

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.459	4.830	5.130
GBP	-	3.618	3.965	4.377
EURIBOR	1.886	1.918	2.288	2.818

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.140	2.729	2.679	2.715
USD LIBOR - 3m	4.483	3.644	3.480	3.474

\* Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > The bullion appreciates further above the key USD 1,900 handle, cheered by broad-based dollar weakness. Technical buying above the USD 1,900 mark and safe-haven demand for gold amid fears of a recession in major economies gave an additional boost to the yellow metal.
- > Crude prices gained over 8 percent last week, buoyed by the prospect of a rebound in Chinese demand and a softer US dollar amid signs of slowing inflation in the country. However, traders turned cautious this morning as focus is now on the upcoming demand forecasts from OPEC and the IEA.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	85.21	0.28
Gold (\$)	1,918.56	(1.65)