

FOREIGN EXCHANGE MARKET

News

> The greenback initially rallied after the FOMC delivered a 75 bps rate hike, the biggest move since 1994. However, the dollar later retreated across the board after Fed Chairman Jerome Powell dismissed the chances of a 100 bps rate hike in the coming meetings. He stated that the next meeting could well be a decision between 50 bps and 75 bps.

> The US published May retail sales, which declined by 0.3 percent, missing an expected advance of 0.2 percent while this Thursday, the US macroeconomic calendar will include initial jobless claims and the June Philadelphia Fed manufacturing survey.

> EUR/USD fell to a fresh one-month low of 1.0358 on Wednesday, before settling around 1.0460 amid broad-based retreat in USD after hawkish comments from Fed Jerome Powell. Data-wise, EU figures were disappointing as industrial production was down by 2 percent in April while the April seasonally adjusted trade balance posted a deficit of EUR 31.7 billion.

> GBP/USD recovered from its lowest level since March 2020 on Wednesday and traded above 1.2100 ahead of the Bank of England rate decision later in the day that is expected to bring at least a 25 bp hike.

> USD/JPY slid for the first time in the week and tumbled to 133.51 following a hawkish Fed while focus now turns to the Bank of Japan policy meeting on Friday.

> The Canadian dollar strengthened against its US counterpart, with the currency recovering from a one-month low in choppy trading after the Federal Reserve's decision to raise interest rates by three quarters of a percentage point.

> Most majors traded sideways against the Rupee overnight, with USD/MUR opening at 44.55 and EUR/MUR at 46.83 while the GBP/MUR pair gained 58 cents to trade at 54.35 on the offer ahead of today's BoE meeting.

Daily Technical View

EUR/USD – ECB's emergency meeting on reinvesting PEPP portfolio plummeted the shared currency to a bottom low of 1.0358 before the US Federal Reserve's 75 basis points rate hike bolstered the euro pair to 1.0470 in late trading hours. First support is found at golden ratio level at figure 1.04 and second support is installed at key Fibonacci level at 1.0370. If the pair manages to breathe above yesterday's high around 1.05, it could easily navigate towards 1.0585.

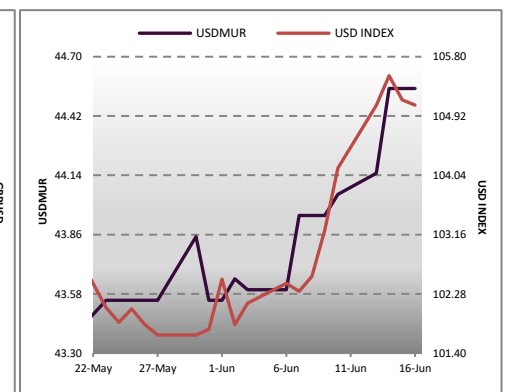
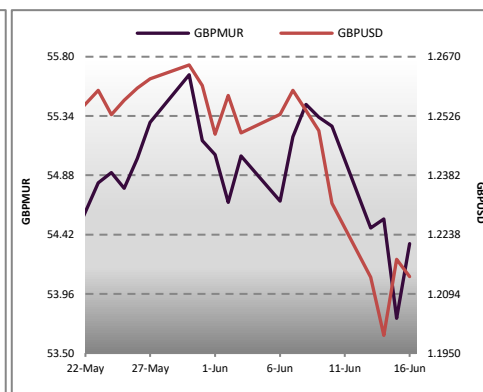
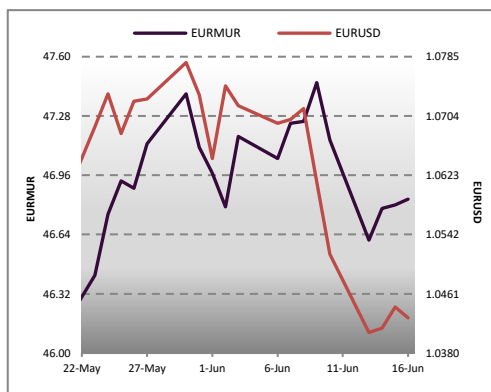
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.48	0.49	31.70	0.51
CNYMUR	6.50	0.02	6.83	0.02
EURMUR	45.47	0.03	46.83	0.03
JPYMUR	32.19	0.18	33.48	0.19
ZARMUR	2.71	0.03	2.89	0.04
USDMUR	43.65	-	44.55	-
GBPMUR	52.77	0.57	54.35	0.58

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.46	30.38	30.16	31.69	31.63	31.44
EURMUR	45.50	45.58	45.61	46.88	46.98	47.05
ZARMUR	2.69	2.67	2.64	2.87	2.85	2.84
USDMUR	43.60	43.51	43.22	44.52	44.43	44.16
GBPMUR	52.73	52.66	52.42	54.32	54.28	54.11



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7001	0.7035	0.6992	0.7000
EURUSD	1.0440	1.0469	1.0426	1.0434
GBPUSD	1.2183	1.2189	1.2134	1.2148
USDJPY	133.82	134.67	133.73	134.21
USDCHF	0.9942	0.9982	0.9933	0.9955
USDCNH	6.67	6.71	6.67	6.71

Major Indices

	Value at Close	Day Change %
DOW JONES	30,364.83	1.00
S&P 500	3,789.99	1.46
FTSE 100	7,273.41	1.20
DAX	13,485.29	1.36
CAC 40	6,030.13	1.35
NIKKEI 225	26,619.82	1.05
HANGSENG	21,016.98	(1.37)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
14-Jun	06 00	DE	Harmonized Index of Consumer Prices	May	8.7%	8.7%	8.7%
14-Jun	12 30	US	PPI ex Food & Energy (YoY)	May	8.3%	8.6%	8.6%
15-Jun	12 30	US	Retail Sales (MoM)	May	-0.3%	0.2%	0.7%
15-Jun	18 00	US	Fed Interest rate Decision	-	1.75%	1.5%	1.0%

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

> As expected, the US Federal Reserve lifted the fed funds rate by 75-basis-point, to between 1.5 percent and 1.75 percent, a hike of the biggest magnitude in almost 28 years. In his press conference, Mr. Powell stated that policy makers came around to the view that “front-loading” rate hikes was needed, and a 50-basis-point or 75-basis-point hike is on the table again for July.

> The Federal Reserve Chairman also announced that he expected the central bank to consider a further 0.50 percent or 0.75 percent increase at its next policy meeting in July, at which point interest rates would be close to “more normal” levels.

> The 2-year US Treasury note yield dropped 16 basis points to trade at 3.275, while the 10-year Treasury yield gave away 9.3 basis points to 3.389 percent. The long-bond eased by 2.8 basis points to 3.404 percent.

> The BoM will tomorrow hold the auction for the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 600 Mio as well as the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,500 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.80	0.65
2M	0.90	0.75
3M	1.00	0.85
4M	1.05	0.90
6M	1.10	0.95
8M	1.15	1.00
10M	1.20	1.05
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	2.80	2.60
4 Year	3.00	2.80
5 Year	3.25	3.00
10 Year	4.70	4.45
15 year	5.00	4.75
20 Year	5.30	5.05

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	2.25	2.00
Fed Funds Rate	1.50 - 1.75	0.75 - 1.00
BoE Bank Rate	1.00	0.75
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.85	0.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	3.2525	3.413
UK Bonds	1.968	2.048
German Bonds	1.076	1.441

Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	1.509	2.003	2.668
GBP	-	1.294	1.604	2.192
EURIBOR	-0.571	-0.512	-0.243	-0.175

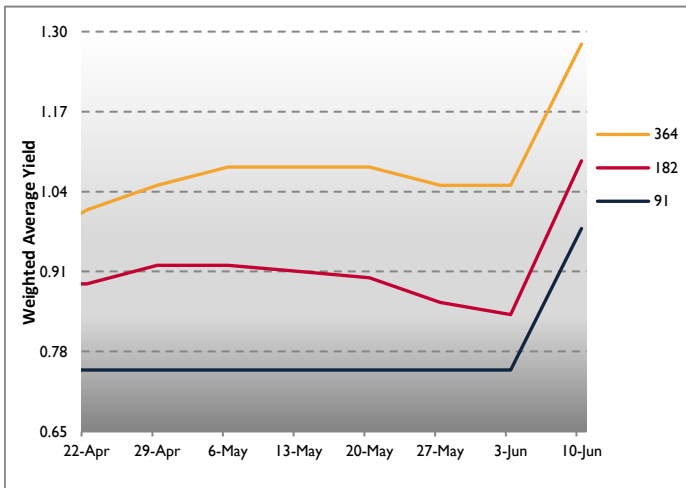
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	1.755	2.156	2.264	2.437
USD LIBOR - 3m	3.640	3.452	3.380	3.365

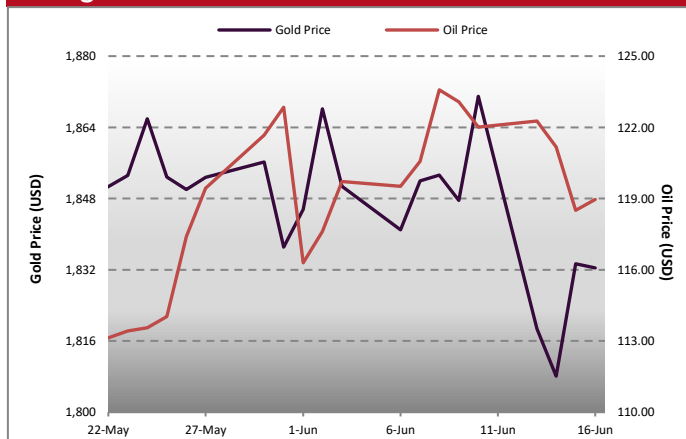
*Pay fixed and receive floating swap

Auction Results of Treasury Bills



COMMODITIES

Rolling Gold & Oil Prices



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

News

> Gold recovered from monthly lows, staging a solid comeback after longer-dated US government bond yields tumbled on the Fed’s resolve to fight inflation.

> Oil was up this morning in Asia despite the US interest rate hike is spurring concerns over fuel demand. Prices remain supported by peak summer demand and tight global supply.

> Wednesday’s US crude supply data from the US Energy Information Administration showed a build of 1.956 million barrels for the week ended June 10.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	131.95	(3.50)
Gold (\$)	1,832.40	(0.98)