

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar fell across the board on Monday after the US Federal Reserve made another surprise interest rate cut and slashed interest rates to 0 percent and announced QE worth USD 700 billion. The Federal Reserve was unable to wait until its scheduled meeting and this time it went all the way to zero and in less than two weeks after its 50 basis-point rate cut.
- > EUR/USD remained subdued and traded below the 1.1200 level while attention now turns to the European Union Finance Ministers and G7 leaders economic response to the virus outbreak, as they hold extraordinary meetings later today.
- > The GBP/USD pair tumbled to 1.2263 amid fears of a steep recession while Governor Mark Carney slashed interest rates by 50 bps to 0.25 percent last week before leaving the BOE chair.
- > The Indian rupee hit a record low of 74.50 against the US dollar on Friday, breaching previous low of 74.48, hit in October 2018.
- > After hitting a multi-year low of 101.76 last Monday, USD/JPY pair closed the week higher near the 108.00 figure boosted by a better market mood, triggered by US President Trump decision to declare a national emergency.
- > South African rand rallied on Friday as the flush of liquidity pumped into markets by Central Banks overseas spurred flows back into emerging currencies after the coronavirus sell-off.
- > During the past week, the Bank of Mauritius intervened twice on the domestic foreign exchange market and purchased a total of USD 11.2 Mio as follows: on 10 March 2020, the Central Bank purchased USD 10.1 Mio at the rate of MUR 37.50 per USD and on 11 March 2020, the Bank purchased USD 1.1 Mio at the rate of MUR 38.00/USD.
- > The US Dollar opens at MUR 38.00 this morning on the bid, gaining 30 cents against the local currency, following another 100 bps rate cut by the US Federal Reserve on Sunday, sending interest rates to zero.

### Daily Technical View

EUR/USD - Another surprise inter-meeting 100 bps rate cut by the US Fed on Sunday, sending US interest rates to zero, rattled the market as the EUR bounced from a session low of 1.1047 to a high of 1.1199 in the Asian session this morning. The market has since erased the spike higher to hover above the 1.1100 level, the 1.1050/65 area has held twice as it is a zone where the 100 DMA technical support and the 61.8% Fibo support of the 1.0780-1.1492 rally converge, hence it is the key support level to breach to open up fresh downside targets at 1.0920 while on the upside 1.1220 is nearby resistance and 1.1330 the major level to regain to alleviate current bearishness in the pair.

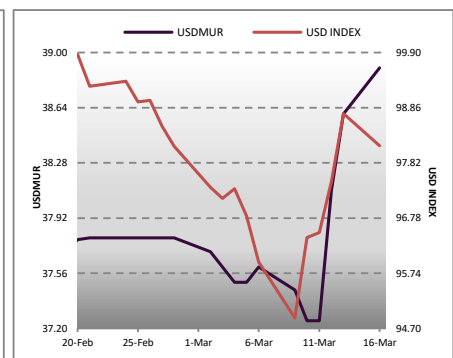
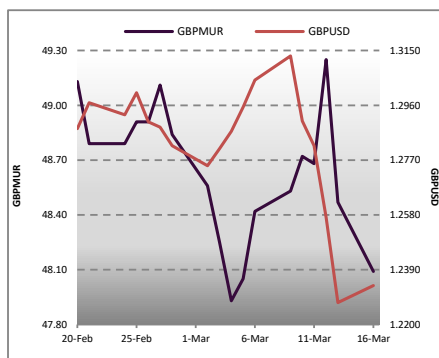
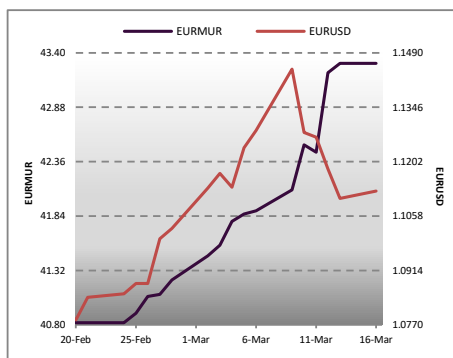
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.34	(0.26)	24.27	(0.27)
CNYMUR	5.41	0.05	5.69	0.06
EURMUR	42.04	-	43.30	-
JPYMUR	35.21	(0.34)	36.62	(0.35)
ZARMUR	2.29	0.06	2.44	0.07
USDMUR	38.00	0.30	38.90	0.30
GBPMUR	46.69	(0.37)	48.09	(0.38)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.35	23.37	23.40	24.29	24.34	24.43
EURMUR	42.10	42.24	42.44	43.39	43.58	43.88
ZARMUR	2.28	2.26	2.22	2.43	2.42	2.39
USDMUR	38.01	38.04	38.10	38.93	39.01	39.16
GBPMUR	46.72	46.79	46.90	48.14	48.28	48.49



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6133	0.6303	0.6097	0.6164
EURUSD	1.1083	1.1199	1.1047	1.1130
GBPUSD	1.2283	1.2429	1.2255	1.2346
USDJPY	107.91	107.91	105.75	106.56
USDCHF	0.9536	0.9544	0.9445	0.9487
USDCNH	7.02	7.02	6.99	7.02

#### Major Indices

	Value at Close	Day Change %
DOW JONES	21,200.62	9.36
S&P 500	2,711.02	9.29
FTSE 100	5,366.11	2.46
DAX	9,232.08	0.77
CAC 40	4,118.36	1.83
NIKKEI 225	17,255.02	(1.01)
HANGSENG	23,265.28	(3.19)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
13-Mar	07 00	DE	Harmonized Index of Consumer Prices	Feb	1.7%	1.7%	1.7%
13-Mar	15 00	US	Michigan Consumer Sentiment Index	Mar	95.9	95	101
15-Mar	22 30	US	Fed Interest Rate Decision	-	0.25%	-	1.25%
17-Mar	00 30	AU	RBA Meeting Minutes	-	-	-	-

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

- > Treasury yields tumbled late Sunday after the US Federal Open Market Committee cut interest rates back to its financial-crisis-era policy range of 0 percent to 0.25 percent, a level last seen in 2015.
- > The Federal Reserve announced that it would buy at least USD 700 billion of bonds in coming months, with USD 500 billion going into Treasuries and USD 200 billion going into mortgage-backed securities.
- > Following the Fed's move, New Zealand's central bank cut interest rates by 0.75 percentage points to 0.25 percent.

- > The result of the 364-Day Government of Mauritius Treasury Bills was as follows: out of 6 bids received only 1 was successful, with the bid to cover ratio of 3.43 and the weighted average yield at 1.38 percent.
- > The Bank of Mauritius announced a support programme to accompany local economic operators to minimise the impact of COVID-19. A special relief amount of MUR 5 Billion will be issued through commercial banks to meet cash flow and working capital requirements of operators being directly impacted by COVID-19.
- > As from 23 March 2020, the Bank of Mauritius will issue the 2.5 percent 2-year Bank of Mauritius 2020 savings bonds for an amount of MUR 5 Billion. The issue will remain open for 3 months and will close on 23 June 2020.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	1.25	-
2M	1.25	-
3M	1.25	1.10
4M	1.25	-
6M	1.25	1.10
8M	1.30	-
10M	1.40	-
1Y	1.45	1.30

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.40	2.20
3 year	2.75	2.55
4 Year	2.85	2.65
5 Year	3.15	2.90
10 Year	3.65	3.40
15 year	4.25	4.00
20 Year	4.75	4.50

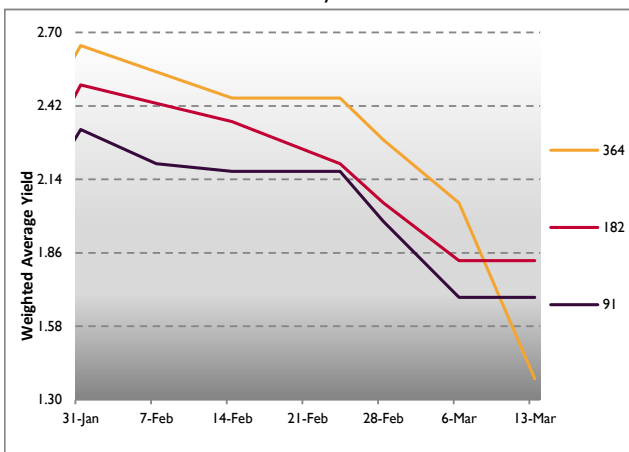
#### Key Central Bank Rates

	Current (%)	Previous (%)
BOM Repo Rate	2.85	3.35
Fed Funds Rate	0.00 - 0.25	1.00 - 1.25
BoE Bank Rate	0.25	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	0.50	0.75

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.2863	0.442
UK Bonds	0.286	0.315
German Bonds	-0.867	-0.749

#### Local Treasury Bills Market



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.550	-0.527	-0.427	-0.380
USD	0.847	0.800	0.843	0.821
GBP	0.206	0.282	0.506	0.611
EURIBOR	-0.527	-0.480	-0.428	-0.397

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.434	-0.309	-0.218	-0.096
USD LIBOR - 3m	0.433	0.558	0.690	0.774

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

- > Oil prices resumed their descent this morning as the COVID-19 outbreak worsened, with cases soaring in Europe and the US while several countries announced travel bans, leading to a historic fall in the global demand for the commodity.
- > On Friday, oil prices recorded some gains after US President Donald Trump announced that the US would purchase crude oil massively for the strategic reserve. The gains were however insignificant as compared to the sharp losses registered.
- > Gold prices remained under pressure as central banks around the globe took steps to fight the economic impacts of coronavirus.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	32.71	1.14
Gold (\$)	1,541.92	12.61