

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended the day higher against majority of its peers on Monday due to a rally in US Treasury yields and renewed concern on global growth and inflation. Later in the day, US retail sales; trade prices and industrial production for October are due, giving another hint about the health of the economy.
- > EUR/USD has slumped under the 1.1400 level for the first time since July 2020 hitting 1.1357 after ECB President Christine Lagarde reiterated that conditions for a rate hike are very unlikely to be met in 2022.
- > GBP/USD remained pressured towards the 1.3400 threshold, around 1.3415 during early Asian session this morning amid pessimism surrounding Brexit and the UK coronavirus conditions while traders now await for the release of UK jobs report for fresh impulse.
- > USD/JPY rallied then to 114.31 on broad-based USD strength due to a rally in US Treasury yields.
- > AUD/USD struggled to find demand this morning following dovish comments from RBA Governor Lowe who stated that the economic prospects and inflation does not warrant a rate hike next year.
- > The Canadian dollar strengthened against its US counterpart on Monday, clawing back some of last week decline as investors weighed mixed domestic data and BoC Governor Tiff Macklem stating that the economy is moving closer to full capacity.
- > South African rand rose on Monday, buoyed by improving global sentiment while investors await for domestic inflation data along with retail sales data due on Wednesday and the Central Bank monetary policy meeting on Thursday.
- > The USD/MUR reaches a new all-time high this morning, opening at MUR 43.40/USD on the offer, on the back of the single currency losing major ground to trade below the 1.1400 handle.

### Daily Technical View

EUR/USD - The EUR started the week on the back foot, tumbling to a 16-month low of 1.1357 against the USD, on a combination of surging US Treasury yields and comments by ECB's President Lagarde stating that conditions for a rate hike in 2022 is unlikely. Intra-day a clear break of the 1.1365 level will target FIBO support level at 1.1290 whereas on the upside 1.1450 resistance level is expected to cap rallies.

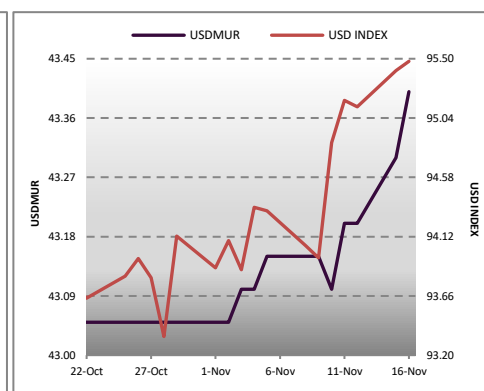
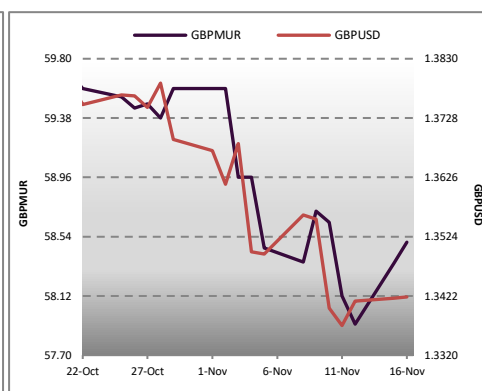
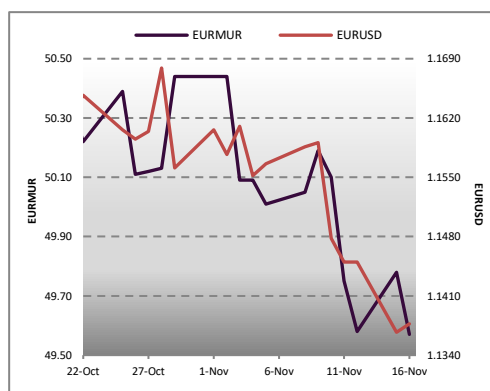
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	31.11	0.14	32.35	0.14
CNYMUR	6.66	0.02	7.00	0.02
EURMUR	48.13	(0.20)	49.57	(0.21)
JPYMUR	36.85	(0.01)	38.32	(0.01)
ZARMUR	2.75	0.03	2.93	0.03
USDMUR	42.50	0.10	43.40	0.10
GBPMUR	56.80	0.15	58.50	0.15

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	31.10	31.08	31.04	32.37	32.43	32.53
EURMUR	48.12	48.10	48.07	49.63	49.77	50.02
ZARMUR	2.73	2.70	2.64	2.93	2.93	2.93
USDMUR	42.48	42.44	42.35	43.43	43.51	43.65
GBPMUR	56.79	56.76	56.66	58.54	58.64	58.78



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7346	0.7368	0.7338	0.7347
EURUSD	1.1366	1.1385	1.1360	1.1379
GBPUSD	1.3421	1.3438	1.3406	1.3422
USDJPY	114.12	114.31	114.11	114.16
USDCHF	0.9250	0.9258	0.9238	0.9249
USDCNH	6.38	6.38	6.36	6.37

#### Major Indices

	Value at Close	Day Change %
DOW JONES	36,100.31	(0.04)
S&P 500	4,682.80	(0.00)
FTSE 100	7,351.86	0.05
DAX	16,148.64	0.34
CAC 40	7,128.63	0.53
NIKKEI 225	29,762.53	(0.05)
HANGSENG	25,681.56	1.14

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
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%
17-Nov	07 00	UK	Consumer Price Index (YoY)	Oct	-	-	3.1%
17-Nov	13 30	CA	BoC CPI Core (YoY)	Oct	-	-	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

- > Benchmark US Treasury yields rose to three-week highs on Monday as companies rushed to sell debt before liquidity likely worsens during the holiday season and ahead of a US government sale of new 20-year bonds on Wednesday.
- > The Treasury is due to sell USD 23 billion of 20-year bonds on Wednesday, which may see tepid demand following a weak USD 25 billion sale of 30-year bonds last week.
- > The 20-year bond yields rose 5 basis points to 2.04 percent while 30-year bond yields increased 5 basis points to 2.01 percent.

- > Benchmark 10-year yields gained 4 basis points to 1.62 percent and are up from a one-month low of 1.42 percent reached last Tuesday.
- > The next major US economic release will be retail sales data this Tuesday. The New York Fed's Empire State manufacturing business conditions index on Monday showed improving conditions in November.
- > Tomorrow, the Bank of Mauritius will hold the auction for the Ten-Year Government of Mauritius Treasury Bonds for a nominal amount of MUR 2,000 Mio.

### 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

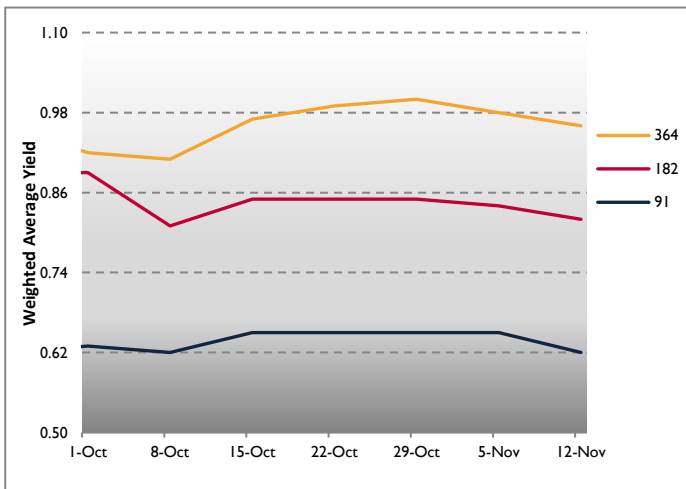
#### Key Central Bank Rates

	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	0.5199	1.246
UK Bonds	0.567	0.697
German Bonds	-0.705	-0.522

#### 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

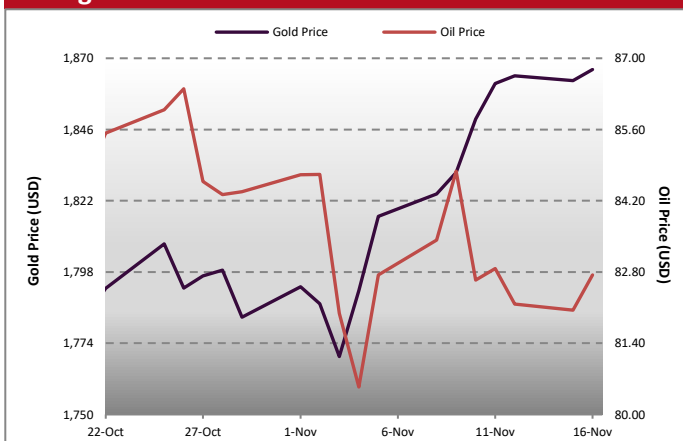
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.345	-0.096	0.010	0.178
USD LIBOR - 3m	0.762	1.347	1.513	1.651

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > The rising number of Covid-19 cases and new restrictions on travel in Europe hit market sentiment and raised fuel demand concerns while there is growing expectation that supply will rise as the US may release crude reserves to stop a rally in gasoline prices.
- > Investors will be awaiting the US crude oil data from the American Petroleum Institute, due later in the day.
- > Gold bounced to a fresh multi-month high on Monday, above the USD 1,870 level, as the yellow metal continues to be favored as an inflationary hedge and as a safe-haven asset. However, a robust dollar and higher US Treasury yields pressured the bullion lower this morning in Asia.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	81.78	(1.70)
Gold (\$)	1,867.12	4.66