

## FOREIGN EXCHANGE MARKET

### News

- > The EUR/USD rallied close to USD 1.19 yesterday after the ZEW economic sentiment survey showed investor sentiment in Germany rose in September despite headwinds from the spread of the coronavirus and BREXIT but retreated on profit-taking ahead of the key Federal Reserve meeting.
- > The dollar index was little changed at 93.062 yesterday, as the greenback recovered after the euro reversed earlier gains.
- > The Federal Reserve started a two-day meeting on Tuesday and analysts expect the US Central Bank to affirm its current zero-interest-rate policy over the next three years, a view that could weigh on the dollar.
- > Better than expected jobs data in the UK drove the pound sterling higher.
- > AUD/USD regains 0.7300 after yesterday's drop but remains cautious ahead of the FOMC decision later in the day.
- > The loonie edged lower against the USD on Tuesday as investors scaled back bets against the greenback ahead of the Fed interest rate decision, but the pair rejected 1.3200 this morning to trade lower.
- > The South African rand climbed to a six-week high yesterday, as demand for risk assets was lifted by renewed hopes for a COVID-19 vaccine and solid industrial and retail data from China.
- > The USD/MUR maintains the same levels at the open for nearly a week now, trading at MUR 40.20/USD on the offer. The market is expected to remain tight for the coming days with data showing the demand exceeding the supply by nearly USD 8 Mio for the month, despite USD 75 Mio injected on the local market by the Central Bank.

### Daily Technical View

EUR/USD - Yesterday the EUR rally versus the USD at 1.1900 was firmly rejected and it traded down to 1.1838 as the market took profit ahead of the FOMC monetary meeting due later today. Ahead of the event we are likely to trade in a 1.1810-1.1880 range and on the wide 1.1750-1.1920.

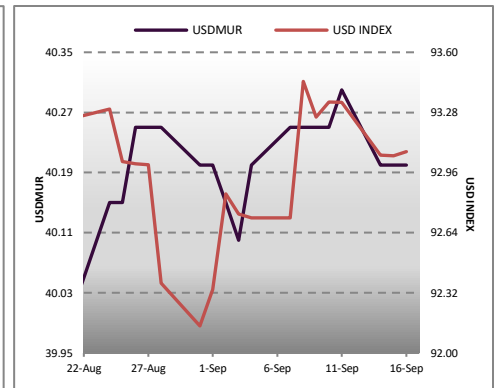
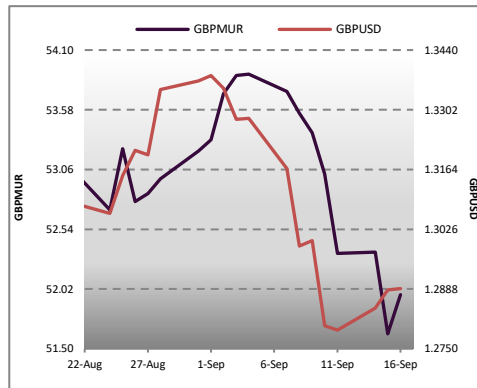
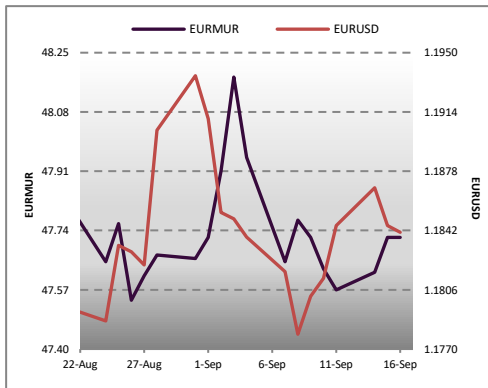
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.62	-	29.76	-
CNYMUR	5.80	0.02	6.10	0.02
EURMUR	46.33	(0.16)	47.72	(0.16)
JPYMUR	36.96	0.15	38.44	0.16
ZARMUR	2.35	0.03	2.50	0.03
USDMUR	39.30	-	40.20	-
GBPMUR	50.46	0.19	51.97	0.19

#### 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	46.42	46.61	46.88	47.83	48.09	48.48
ZARMUR	2.34	2.32	2.28	2.49	2.48	2.45
USDMUR	39.30	39.31	39.33	40.22	40.28	40.38
GBPMUR	50.50	50.61	50.75	52.04	52.21	52.48



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7301	0.7321	0.7289	0.7312
EURUSD	1.1848	1.1852	1.1830	1.1849
GBPUSD	1.2888	1.2915	1.2876	1.2894
USDJPY	105.43	105.44	105.26	105.36
USDCHF	0.9083	0.9094	0.9076	0.9080
USDCNH	6.78	6.79	6.77	6.77

#### Major Indices

	Value at Close	Day Change %
DOW JONES	27,993.33	0.01
S&P 500	3,401.20	0.52
FTSE 100	6,105.54	1.32
DAX	13,217.67	0.18
CAC 40	5,067.93	0.32
NIKKEI 225	23,492.63	0.16
HANGSENG	24,690.94	(0.17)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
15-Sep	09 00	EU	ZEW Survey	Sep	73.9	62	64
15-Sep	13 15	US	Industrial Production	Aug	0.40%	1%	3%
16-Sep	06 00	UK	Consumer Price Index	Aug		-0.6%	0.4%
16-Sep	09 00	EUR	Trade Balance	Jul		EUR 21.3B	EUR 21.2B

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

**News**

- > US Treasury yields ticked higher yesterday, in line with the positive tone in risky asset markets, following a raft of economic data that showed the recovery in the two largest economies was continuing apace.
- > A September snapshot of manufacturing activity in New York State jumped to a reading of 17, from the previous month reading of 3.7. An index of August import prices rose 0.9 percent, while last month US industrial production expanded by 0.4 percent.
- > In China, retail sales grew for the first time in 2020, rising 0.5 percent in August according to the National Bureau of Statistics. Industrial production in China also rose 5.6 percent, up from an increase of July 4.8 percent in July.

- > Meanwhile, the US Federal Reserve's two-day meeting kicked off yesterday. Market participants are hoping to glean clues on how senior central bankers see the path for growth and inflation ahead.
- > The 10-year US Treasury note yield gained 0.9 basis point, trading at 0.678 percent, while the 2-year note rate edged 0.4 basis point up to 0.139 percent. The 30-year bond yield added 2.2 basis points to firm at 1.431 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**

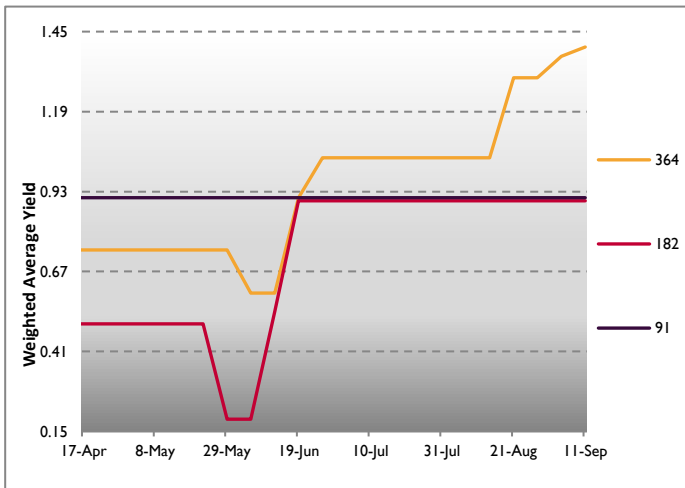
	Bid (%)	Offer (%)
2 year	1.70	1.50
3 year	1.85	1.65
4 Year	2.00	1.80
5 Year	2.20	1.95
10 Year	2.60	2.35
15 year	2.90	2.65
20 Year	3.20	2.95

**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	0.141	0.269
UK Bonds	-0.066	-0.063
German Bonds	-0.685	-0.684

**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	-0.511	-0.459	-0.388	-0.248
USD LIBOR - 3m	0.229	0.337	0.487	0.683

\*Pay fixed and receive floating swap

**COMMODITIES**
**Rolling Gold & Oil Prices**


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

**News**

- > Gold rallied to its highest level in 2 weeks at USD 1,971.71 before retreating as the US dollar bounced off lows. Market participants now await the outcome of the FOMC meeting.
- > Oil prices edged 2 percent higher on Tuesday and extended losses this morning, supported by a disruption in US oil and gas production as Hurricane Sally threatened the US Gulf Coast.
- > A sharp drop in US crude inventories also boosted benchmark oil prices, with the American Petroleum Institute reporting 9.5 million barrels drop last week.

**Spot Market**

	Today	Change (\$)
Brent Crude Oil (\$)	39.00	0.58
Gold (\$)	1,958.90	3.38