

FOREIGN EXCHANGE MARKET

News

- > The US dollar held near a 19-month high on Monday following upbeat data on US retail sales and industrial output in November.
- > This week investors will have their attention firmly focused on monetary policy as the Federal Reserve, the Bank of England and the Bank of Japan issue updates at a time of increased market volatility.
- > Investors will also get an update on the health of the US housing market, with Tuesday data on building permits and housing starts and Wednesday report on existing home sales. Reports on durable goods orders and manufacturing activity will also be in focus.
- > The EUR/USD dropped to 1.1288 after German data showed private-sector expansion slowed to a four-year low in December and French business activity unexpectedly contracted and later the pair retreated to 1.1270 after the release of US retail sales.
- > The GBP/USD weakened to 1.2530 on Friday after UK Prime Minister Theresa May stated on Friday it was still possible to get further clarification from the European Union on the Brexit deal to help her win parliamentary approval for it.
- > The AUD/USD edged lower to 0.7170 as data showed Chinese November retail sales grew at the weakest pace since 2003 and industrial output rose the least in nearly three years.
- > The Euro sheds 7 cents on the offer this morning, over concerns of a slowing Eurozone economy. Today, all eyes will be on the Inflation data out of the Eurozone, due later this afternoon.

Daily Technical View

The Greenback gained against most of its counterparts as poor data from China and confirmation of a slowing Eurozone economy triggered further dollar buying. EURUSD sold off sharply down to a low of 1.1270 before recovering to hover around 1.1310 this morning. Immediate resistance lies at 1.1330/40 ahead of 1.1380. To the downside, major support lies at 1.1270. Expect the range of 1.1250/1.1450 to hold going into the FOMC later this week.

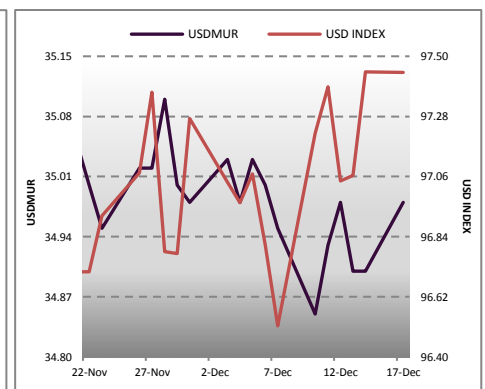
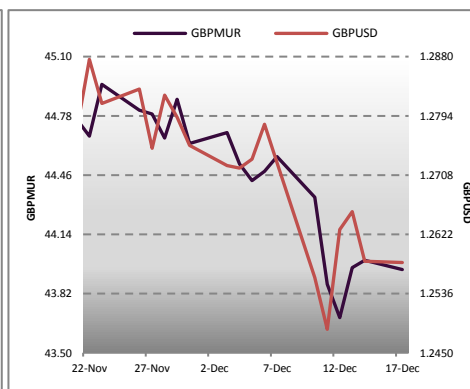
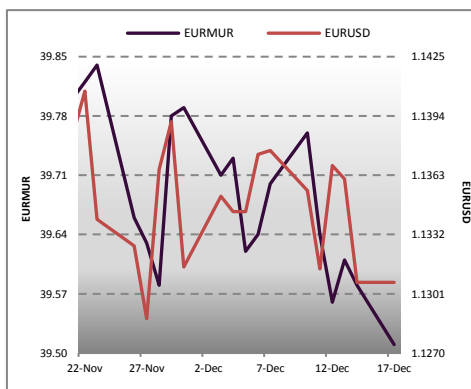
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.33	-	25.30	-
CNYMUR	4.93	-	5.18	-
EURMUR	38.36	(0.07)	39.51	(0.07)
JPYMUR	29.74	0.08	30.93	0.08
ZARMUR	2.34	(0.01)	2.46	(0.01)
USDMUR	34.08	0.08	34.98	0.08
GBPMUR	42.67	(0.05)	43.95	(0.05)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.34	24.35	24.38	25.35	25.41	25.54
EURMUR	38.47	38.69	39.03	39.64	39.93	40.38
ZARMUR	2.33	2.32	2.28	2.46	2.45	2.43
USDMUR	34.10	34.11	34.13	35.02	35.09	35.19
GBPMUR	42.75	42.90	43.13	44.06	44.28	44.63



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7178	0.7181	0.7169	0.7174
EURUSD	1.1307	1.1313	1.1300	1.1308
GBPUSD	1.2589	1.2609	1.2571	1.2582
USDJPY	113.31	113.52	113.28	113.49
USDCHE	0.9958	0.9985	0.9962	0.9979
USDCNH	6.90	6.91	6.90	6.90

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,597.38	(2.02)
S&P 500	2,599.95	(1.91)
FTSE 100	6,845.17	(0.47)
DAX	10,865.77	(0.54)
CAC 40	4,853.70	(0.88)
NIKKEI 225	21,528.05	0.72
HANGSENG	26,112.65	0.07

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
17-Dec	10 00	EU	Consumer Price Index - Core (YoY)	Nov	-	1%	1%
18-Dec	00 30	AU	RBA Meeting's Minutes	-	-	-	-
19-Dec	09 30	UK	Core Consumer Price Index (YoY)	Nov	-	1.9%	1.9%
19-Dec	19 00	US	Fed Interest Rate Decision	-	-	-	2.25%

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 headed higher this week as positive developments in US-China trade tensions sapped appetite for safe haven assets like government paper.
- > The upward momentum was somewhat dissipated on Friday after softer economic data in China raised concerns around the global economy health.
- > The 10-year Treasury note yield fell 2 basis points to 2.891 percent, trimming its weeklong rise to 4.1 basis points, its largest such move since November 2.
- > The 2-year note yield fell 2.7 basis points to 2.733 percent, paring its weeklong rise to 2.2 basis points while the 30-year bond was down 1.8 basis points to 3.144 percent, leaving it unchanged for the week.
- > The result of the Bank of Mauritius Treasury Bills were as follows: all bids submitted for the 91-Day BoM Bills were accepted, with a weighted average yield of 3.40 percent. As for the 182-Day and 364-Day BoM Bills, the weighted average yields were published at 3.56 percent and 3.70 percent respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.15	-
2M	3.25	-
3M	3.40	3.25
4M	3.48	-
6M	3.56	3.41
8M	3.60	-
10M	3.65	-
1Y	3.70	3.55

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.40	4.20
4 Year	4.75	4.55
5 Year	5.10	4.85
10 Year	5.50	5.25
15 year	6.13	5.88
20 Year	6.20	5.95

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.00 - 2.25	2.00 - 2.25
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.50	1.50

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	2.7413	2.737
UK Bonds	0.727	0.873
German Bonds	-0.581	-0.271

Money Market Rates

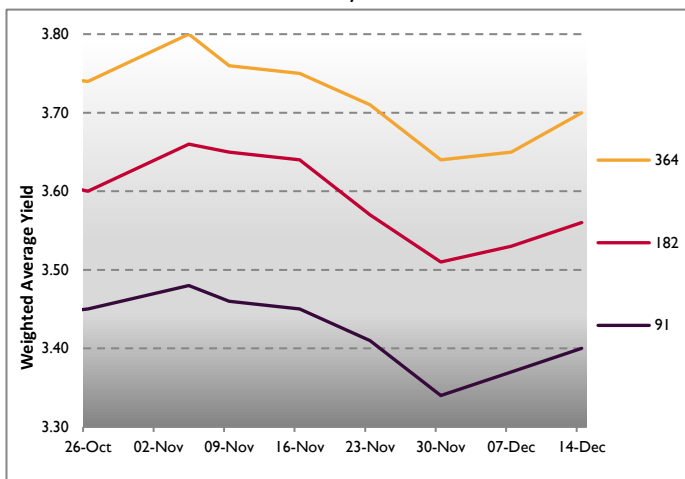
LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.430	-0.410	-0.356	-0.325
USD	2.281	2.455	2.801	2.901
GBP	0.708	0.730	0.901	1.026
EURIBOR	-0.378	-0.368	-0.311	-0.238

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.194	0.212	0.481	0.820
USD LIBOR - 3m	2.882	2.838	2.865	2.926

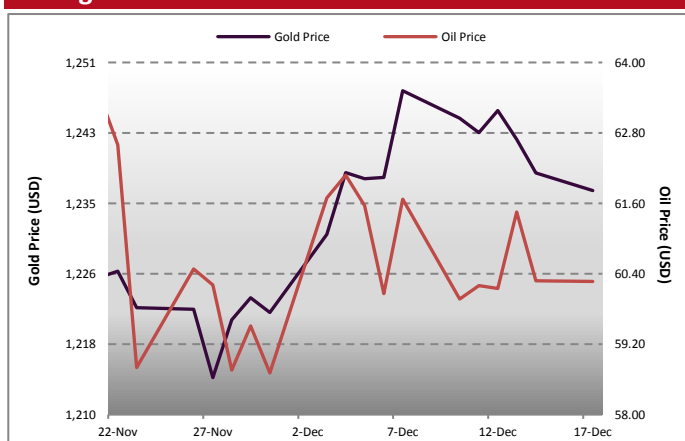
*Pay fixed and receive floating swap

Local Treasury Bills Market



COMMODITIES

Rolling Gold & Oil Prices



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

News

- > Oil prices posted shy gains to start the week as US drilling activity fell to its lowest level in about two months, reducing by 11 oil rigs its count as at Dec 4, while Canada also reduced its oil rigs by 7 units, its lowest in six months.
- > Gold prices recovered from its 10-day low of USD 1,233 touched in the previous session, to trade at USD 1,237 this morning while traders' focus this week will be the FOMC rate decision due on Wednesday.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	58.52	(0.46)	60.28	-
Gold (\$)	1,236.81	(1.31)	1,237.00	(5.70)