

## FOREIGN EXCHANGE MARKET

### News

> The US dollar ended the day lower against the majority of its peers on Thursday amid a decline in US yields, softer than anticipated domestic data and rising fears of recession. The US industrial production for May, Fed bi-annual monetary policy report and a speech from Fed Chairman Jerome Powell will be the key catalysts today.

> EUR/USD climbed above 1.0500 for the first time in nearly a week on Thursday on renewed dollar weakness following the mixed data releases from the US ahead of the final readings of Eurozone inflation later today.

> GBP/USD surged above 1.2300 after the Bank of England monetary policy update. As widely expected, the BoE hiked interest rates by 25 basis points for the fifth consecutive time to curb soaring inflation.

> USD/JPY jumped above 134.00 this morning following the Bank of Japan decision to leave its monetary policy settings unchanged, holding rates at -10bps while maintaining the 10yr JGB yield target at 0.00 percent.

> AUD/USD edged above 0.7000, buoyed by a stable labour market and soured demand for the greenback.

> The Canadian dollar weakened against the greenback as investors grew more worried that aggressive central bank interest rate hikes would trigger a recession.

> The Swiss franc soared against the dollar on Thursday after the Swiss National Bank delivered a surprise interest rate hike for the first time in 15 years by 50 basis points.

> The USD/MUR pair loses 10 cents this morning to close the week at 44.55 on the offer while EUR/MUR is trading at 47.10, with EUR/USD above the 1.05 handle.

### Daily Technical View

EUR/USD – The shared currency rallied vertically to figure at 1.06 on risk-on mood, before retreating to 1.0525. Short-term bullish momentum is now in play for the pair eyeing resistance at confluent level at 1.0640. Support is installed neighboring 1.0430/65 if the pair faces a deep correction.

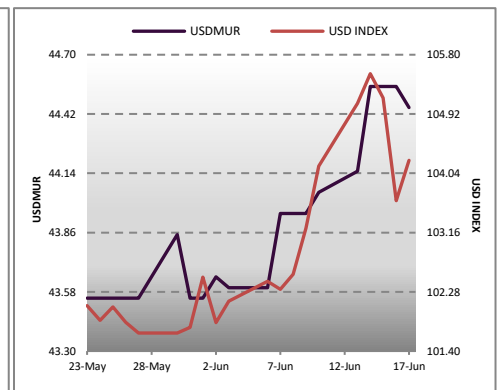
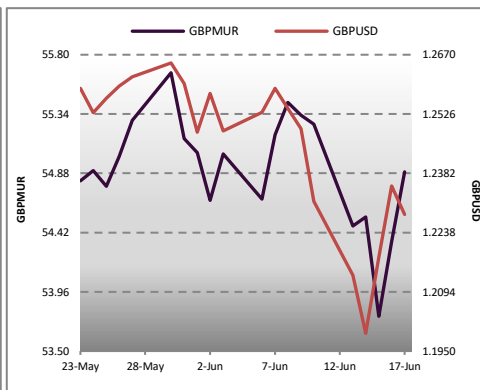
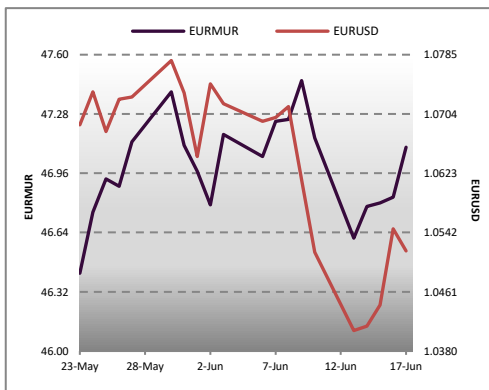
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.43	(0.05)	31.65	(0.05)
CNYMUR	6.49	(0.01)	6.82	(0.01)
EURMUR	45.73	0.26	47.10	0.27
JPYMUR	32.20	0.01	33.49	0.01
ZARMUR	2.68	(0.03)	2.85	(0.04)
USDMUR	43.55	(0.10)	44.45	(0.10)
GBPMUR	53.29	0.52	54.89	0.54

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.41	30.32	30.10	31.64	31.58	31.38
EURMUR	45.77	45.86	45.86	47.15	47.28	47.32
ZARMUR	2.67	2.64	2.61	2.84	2.81	2.80
USDMUR	43.51	43.40	43.14	44.42	44.32	44.09
GBPMUR	53.25	53.17	52.96	54.87	54.81	54.64



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7048	0.7053	0.7011	0.7011
EURUSD	1.0547	1.0559	1.0517	1.0521
GBPUSD	1.2352	1.2369	1.2281	1.2284
USDJPY	132.20	134.62	132.17	134.14
USDCHF	0.9662	0.9713	0.9657	0.9692
USDCNH	6.68	6.72	6.68	6.70

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	30,668.53	(2.42)
S&P 500	3,666.77	(3.25)
FTSE 100	7,044.98	(3.14)
DAX	13,038.49	(3.31)
CAC 40	5,886.24	(2.39)
NIKKEI 225	25,933.20	(1.88)
HANGSENG	21,087.23	1.16

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
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%
16-Jun	07 30	CH	SNB Interest Rate Decision	-	-0.25%	-0.75%	-0.75%
16-Jun	11 00	UK	BoE Interest Rate Decision	-	1.25%	1.25%	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**

> The US 2- and 10-year treasury yields weakened yesterday, as investors flocked to government bonds and US stocks buckled under the Federal Reserve biggest interest rate hike in 28 years.

> The 2-year US Treasury note yield dropped 11.7 basis points to trade at 3.158 percent, while US 10-year noted yield gave away 17.9 basis points, trading at 3.303 percent. The yield on the 30-year Treasury bond eased by 4.5 basis points to 3.359 percent.

> The Bank of England on Thursday also lifted its benchmark interest rate, by 0.25 percentage points to 1.25 percent, while Swiss National Bank lifted its base rate by a half point, to negative 0.25 percent.

> UK government debt prices were down after the decision, with the 10-year gilt yield up 0.05 percentage points on the day at 2.51 percent, as the BoE warned that UK inflation might rise above 11 percent before the end of the year.

> The Bank of Mauritius will today 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	1.25	1.00
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.85	0.35

**Government Benchmark Yields (%)**

	2 Year	5 Year
US Bonds	3.1554	3.326
UK Bonds	2.115	2.163
German Bonds	1.17	1.544

**Money Market Rates**

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	1.523	2.030	2.748
GBP	-	1.280	1.589	2.169
EURIBOR	-0.566	-0.494	-0.182	-0.237

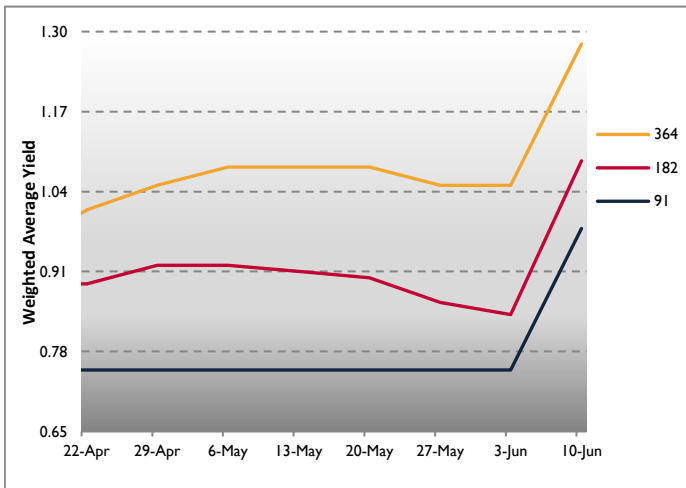
\* LIBOR rates delayed by 48 hours. Source: ICE

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	1.844	2.156	2.264	2.437
USD LIBOR - 3m	3.577	3.352	3.309	3.267

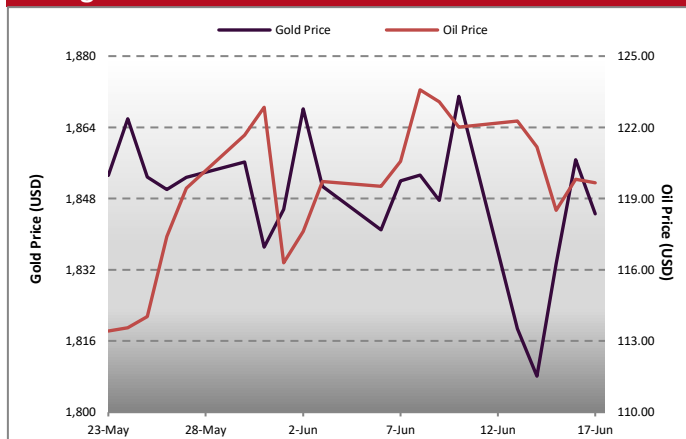
\* Pay fixed and receive floating swap

**Auction Results of Treasury Bills**



**COMMODITIES**

**Rolling Gold & Oil Prices**



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**News**

> Gold edged down during the Asian session this morning as both the dollar and the US Treasury yields clawed back after a decline during the previous session.

> Oil is weighed down by demand concerns following global interest rate hikes. With US announcing new sanctions on Iran, the ongoing supply-side concerns on the market is further heightened.

**Spot Market**

	Today	Change (\$)
Brent Crude Oil (\$)	128.53	(3.41)
Gold (\$)	1,845.96	(10.75)