

FOREIGN EXCHANGE MARKET

News

- > The greenback ended mixed on Monday after the Federal Reserve cut its interest rate to a target range of 0 percent to 0.25 percent and launched new quantitative easing on late Sunday to battle the negative impact of the worldwide spreading of coronavirus pandemic.
- > The EUR/USD pair closed around 1.1170, retaining part of its gains despite risk-aversion. This Tuesday, Germany will release the March ZEW Survey on economic sentiment while the US will release February retail sales and industrial production for the same month.
- > GBP/USD fell to 1.2201 on Monday ahead of the meeting of PM Boris Johnson with the new Bank of England Governor Bailey and Finance Minister Sunak.
- > USD/JPY failed to sustain the uptick above 107.00 amid a retreat in Treasury yields while the Bank of Japan offered to buy JPY 100 billion worth of Japanese government bonds.
- > AUD/USD edged lower after dovish RBA minutes, which highlighted the Central Bank readiness to cut rates further or launch a QE programme.
- > South African rand dropped to 16.67 against the dollar as the deepening coronavirus crisis roiled financial markets, with focus shifting to the Central Bank interest rate decision due later in the week.
- > The Canadian dollar weakened against its US counterpart on Monday as measures taken by global central banks to cushion the economic impact of the coronavirus outbreak failed to calm financial markets, with stocks and the price of oil tumbling.
- > The US Dollar maintains the same levels as yesterday, while the EUR/MUR gains 25 cents this morning with the US retail sales due later today.

Daily Technical View

EUR/USD - A volatile session saw the pair trading in a 1.1095-1.1236 range as the rout in global equities despite the coordinated action by major central banks in the week-end failed to quell market fear that the worst of the current economic crisis is over. The risk aversion mode is likely to continue in the short-term which may provide support to the single currency, hence the strong bounce from the session low to 1.1180 at New York close yesterday. Intra-day no change in view we are likely to trade in the 1.1050-1.1330 consolidative range in the short-term.

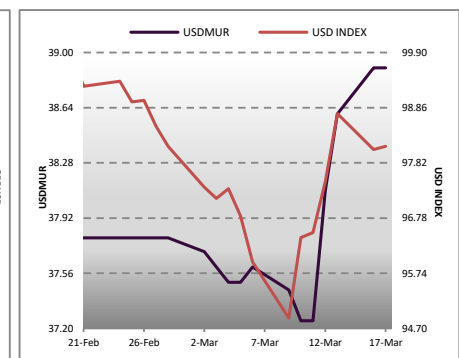
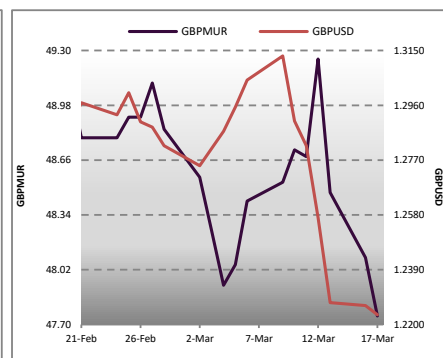
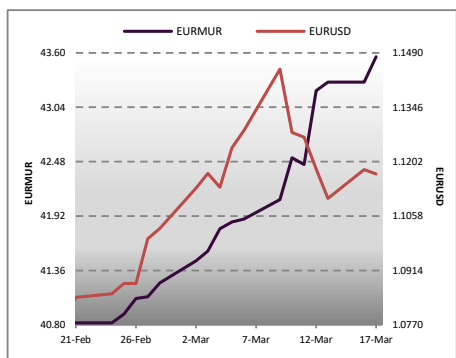
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.21	(0.13)	24.14	(0.13)
CNYMUR	5.42	0.01	5.70	0.01
EURMUR	42.29	0.25	43.56	0.26
JPYMUR	35.33	0.12	36.74	0.12
ZARMUR	2.26	(0.03)	2.41	(0.03)
USDMUR	38.00	-	38.90	-
GBPMUR	46.36	(0.33)	47.75	(0.34)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.22	23.24	23.27	24.16	24.21	24.30
EURMUR	42.35	42.49	42.69	43.65	43.84	44.14
ZARMUR	2.25	2.23	2.20	2.40	2.39	2.36
USDMUR	38.01	38.04	38.10	38.93	39.01	39.16
GBPMUR	46.39	46.46	46.57	47.80	47.93	48.15



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6114	0.6149	0.6071	0.6092
EURUSD	1.1181	1.1188	1.1159	1.1170
GBPUSD	1.2266	1.2273	1.2232	1.2235
USDJPY	105.85	107.18	105.88	106.50
USDCHF	0.9468	0.9497	0.9458	0.9486
USDCNH	7.01	7.02	7.00	7.01

Major Indices

	Value at Close	Day Change %
DOW JONES	23,185.62	(12.93)
S&P 500	2,386.13	(11.98)
FTSE 100	5,151.08	(4.01)
DAX	8,742.25	(5.31)
CAC 40	3,881.46	(5.75)
NIKKEI 225	17,175.70	1.02
HANGSENG	23,043.65	(0.09)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
18-Mar	12 30	CA	BoC Consumer Price Index Core (YoY)	Feb	-	1.7%	1.8%
18-Mar	21 45	NZ	Gross Domestic Product (QoQ)	Q4	-	0.5%	0.7%
19-Mar	-	AU	RBA Interest Rate Decision	-	-	-	0.5%
19-Mar	08 30	CH	SNB Interest Rate Decision	-	-	-	-0.75%

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

> US government debt yields fell on Monday after the Federal Reserve announced it would slash interest rates to near zero, but remained above session lows as investors fretted that Treasuries would sell off as they did last week.

> The Fed and global central banks acted aggressively on Sunday in a move reminiscent of the sweeping steps taken a decade ago to fight a meltdown of the global financial system.

> The benchmark 10-year Treasury yield, which is reflective of investors long-term views of the health of the economy, was last down 21.4 basis points at 0.740 percent.

> The two-year yield, which reflects interest-rate policy, continued to trade well above zero despite the Fed cut, last down 11.8 basis points at 0.374 percent.

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

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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

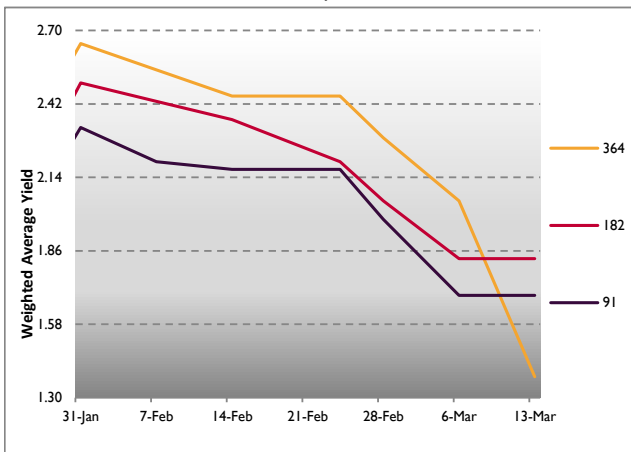
Key Central Bank Rates

	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	0.4027	0.530
UK Bonds	0.26	0.372
German Bonds	-0.875	-0.694

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	-0.445	-0.307	-0.206	-0.086
USD LIBOR - 3m	0.463	0.645	0.732	0.782

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

> Oil prices tumbled below USD 30 a barrel yesterday as demand started to decline on escalating worries over the rapid spread of corona virus. The commodity was also hit by Saudi Aramco's statement, which reiterated plans to increase output to record levels and expand its market share.

> US gasoline refining margins dropped heavily as companies shut while governments advised people to stay home.

> Gold prices declined to four-month low in panic sell off as investors preferred to keep their money in cash. The yellow metal managed to recover to above USD 1,500 this morning.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	28.44	(4.26)
Gold (\$)	1,486.91	(27.00)