

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar traded close to a 16-month peak versus a basket of major peers this morning after both retail sales data and industrial activity in the US beat expectations, signaling strength in the American economy and further pressurizing the US Central Bank to hike rates earlier.
- > The greenback got an additional boost with the US President Joe Biden formally signing a USD 1 trillion bi-partisan infrastructure bill.
- > EUR/USD crashes below the 1.1300 level for the first time since July 2020 amid resurgent dollar demand and expectation that the European Central Bank would stick to its dovish policy settings in the near term against the backdrop of a slowing economy. Market attention now turns towards the Eurozone inflation data.
- > Better-than-expected UK jobs report, with unemployment rate declining to 4.3 percent in September from 4.5 percent in August, renew hopes of a Bank of England rate hike but failed to give the GBP/USD pair a boost as Brexit woes linger.
- > USD/JPY reached a four-and-a-half-year high against the yen on Wednesday as a run of strong economic data boosted bets for earlier Federal Reserve interest-rate hikes.
- > AUD/USD remained depressed below the 0.7300 mark, ignoring the latest Australia Wage Price Index figure.
- > Weaker oil prices and a stronger US dollar are propping up the USD/CAD pair.
- > The South African rand edged lower against a stronger USD while the market focus remains on the SARB monetary policy committee, although there does not appear to be a consensus view yet on any action from the Central Bank.
- > The USD/MUR sees another all-time high to open at MUR 43.50/USD on the offer, with the single currency plummeting below the 1.1300 handle overnight. Locally, the market remains tight with an intervention from the Central Bank awaited this week.

### Daily Technical View

EUR/USD - The EUR slid to a fresh year low of 1.1263 against the USD in Asia this morning on divergence in Central banks interest path, with market expectations of a US Federal Reserve rate hike in 2022 while ECB will likely stay put following Christine Lagarde dovish comments on Monday. Intra-day near-term support is at 1.1250, with break targeting 1.1170/1.1200 support area, on the upside 1.1330/65 resistance levels need to be cleared to alleviate current bearish momentum in the pair.

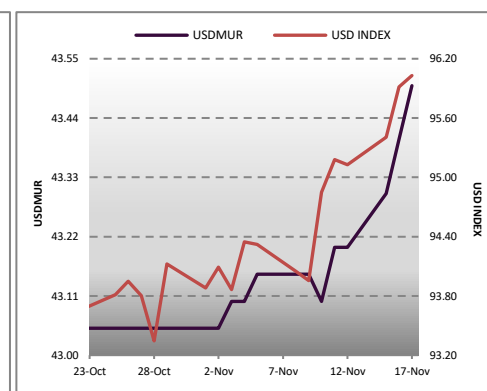
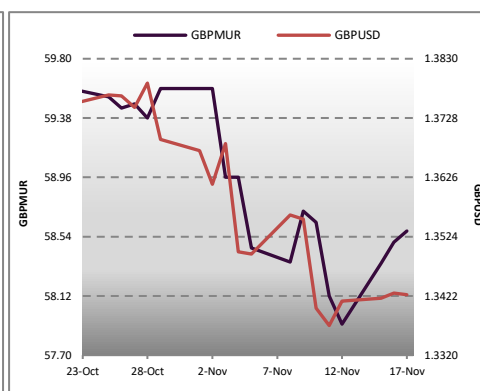
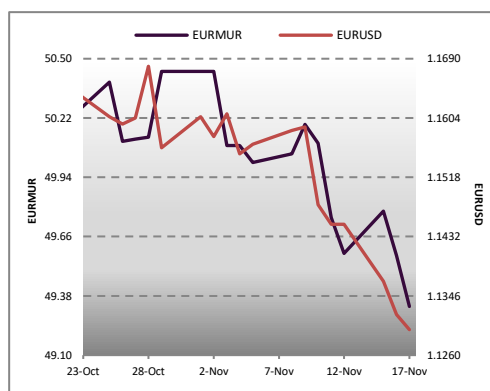
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.84	(0.27)	32.07	(0.28)
CNYMUR	6.66	-	7.00	-
EURMUR	47.89	(0.24)	49.33	(0.24)
JPYMUR	36.72	(0.13)	38.19	(0.13)
ZARMUR	2.69	(0.06)	2.86	(0.07)
USDMUR	42.60	0.10	43.50	0.10
GBPMUR	56.87	0.07	58.58	0.08

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.83	30.81	30.77	32.09	32.15	32.25
EURMUR	47.88	47.87	47.84	49.39	49.53	49.77
ZARMUR	2.67	2.64	2.58	2.86	2.86	2.86
USDMUR	42.58	42.54	42.43	43.53	43.61	43.71
GBPMUR	56.86	56.82	56.70	58.62	58.70	58.84



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7301	0.7305	0.7263	0.7294
EURUSD	1.1319	1.1326	1.1265	1.1304
GBPUSD	1.3429	1.3436	1.3397	1.3433
USDJPY	114.82	114.97	114.71	114.88
USDCHF	0.9296	0.9329	0.9299	0.9319
USDCNH	6.39	6.39	6.38	6.39

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	36,087.45	0.15
S&P 500	4,700.90	0.39
FTSE 100	7,326.97	(0.34)
DAX	16,247.86	0.61
CAC 40	7,152.60	0.34
NIKKEI 225	29,700.89	(0.36)
HANGSENG	25,577.93	(0.53)

### 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%	3.7%	3.7%
16-Nov	13 30	US	Retail Sales (MoM)	Oct	1.7%	1.4%	0.8%
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

- > Long-dated Treasury yields hit their highest levels in three weeks yesterday, after data showed a surge in US retail sales for October and after one policy maker stated that the Federal Reserve might need to move in a more hawkish direction to account for the recent rise in inflation.
- > Data released on revealed that October sales at US retailers rose at the fastest pace in seven months, impacted by high inflation. Retail sales surged 1.7 percent last month, the biggest gain since March when the government doled out billions in stimulus money to families.

- > The yield on the 10-year US Treasury note rose to 1.632 percent, while the 2-year Treasury yield dropped 0.2 basis points to 0.520 percent. The yield on the 30-year Treasury bond gained 1 basis point to trade at 2.017 percent.
- > Today, 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

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#### 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

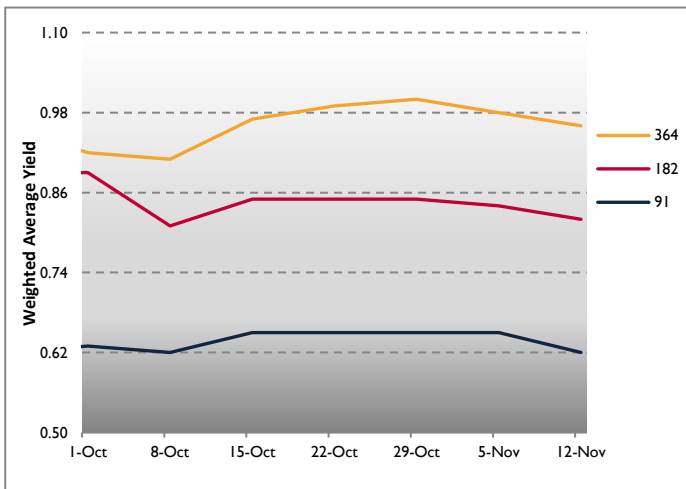
#### Key Central Bank Rates

	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	0.5201	1.269
UK Bonds	0.623	0.733
German Bonds	-0.733	-0.558

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.584	-0.579	-0.573	-0.551
USD	0.074	0.091	0.158	0.225
GBP	0.039	0.054	0.102	0.295
EURIBOR	-0.566	-0.566	-0.561	-0.528

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

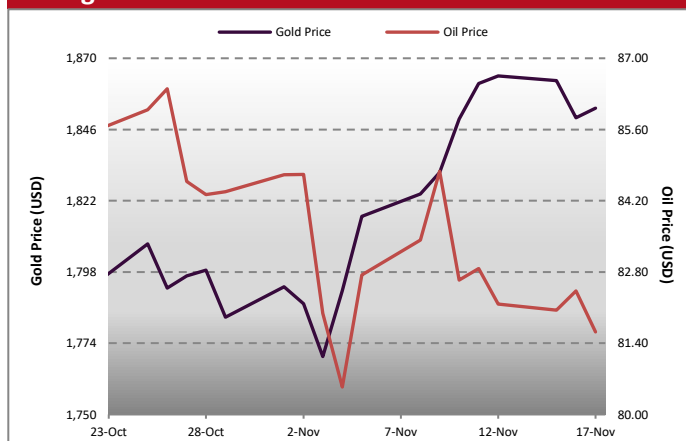
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.344	-0.100	0.009	0.182
USD LIBOR - 3m	0.780	1.378	1.552	1.693

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

- > Oil was down this morning in Asia with the latest US crude oil supply data showing a smaller-than-expected build, which could heighten pressure on the Biden administration to release oil from emergency reserves to cap soaring gasoline prices.
- > Gold prices inched higher on Wednesday but hovered around a recent low, after a strong US retail sales reading drove the dollar close to a 16-month peak.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	83.62	1.85
Gold (\$)	1,853.93	4.02