

FOREIGN EXCHANGE MARKET

News

- > The US dollar ended higher against majority of its peers on Wednesday due to weakness in euro and sterling after soft inflation data from Eurozone and UK.
- > The EUR/USD rose to session highs at 1.1323 in European morning yesterday on increased risk appetite. However, price later retreated to 1.1290 after the release of soft euro zone inflation data.
- > The PMI for the manufacturing and service sectors in Europe due later today will provide the next indication of strength for the European economy.
- > GBP/USD fell to 1.3028 as UK consumer prices fell short of expectations, strengthening fear that the Bank of England may soon impose a rate cut. The UK will release March retail sales figures this Thursday.
- > The AUD/USD eased back to 0.7180 level, as a strong Australian jobs report was offset by lower confidence and conditions numbers from the NAB Q1 Australian business surveys.
- > The USD/JPY was steady at 111.95 after briefly touching a four-month peak of 112.17 on Wednesday amid a bounce in US Treasury yields.
- > The CAD was little changed against its US counterpart on Wednesday after Canada annual inflation rate edged up to 1.9 percent in March from 1.5 percent in February.
- > South African rand firmed against the greenback on Wednesday as an unexpected rise in economic growth in major trading partner China boosted demand for emerging market currencies worldwide.
- > Against the MUR, the USD remains stable on the local market and is trading at MUR 35.27. On the other hand, the EUR and GBP shed 2 and 7 cents respectively, ahead of the Eurozone PMI data release later today.

Daily Technical View

EUR/USD - After hitting a session high of 1.1323 on better market sentiment towards risk, the pair tumbled to 1.1290 after data showed a narrowing of the US February trade deficit. We are back in the familiar 1.1290-1.1320 range that has prevailed all week and it looks likely that the market will be confined to the 1.1260-1.1350 range ahead of the Easter holidays.

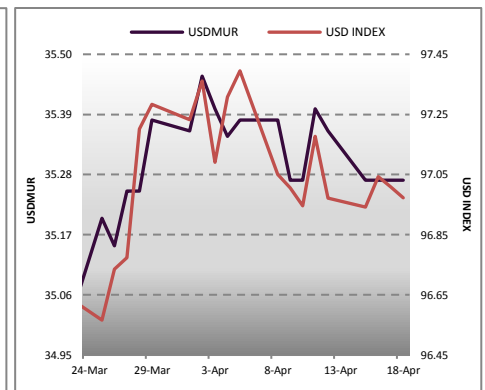
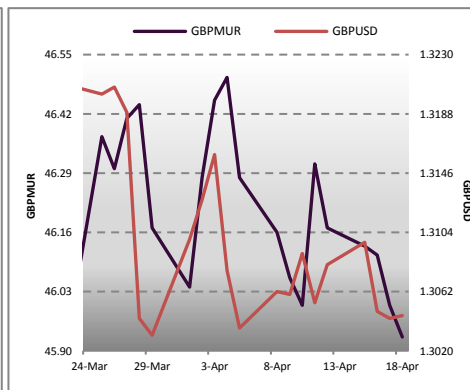
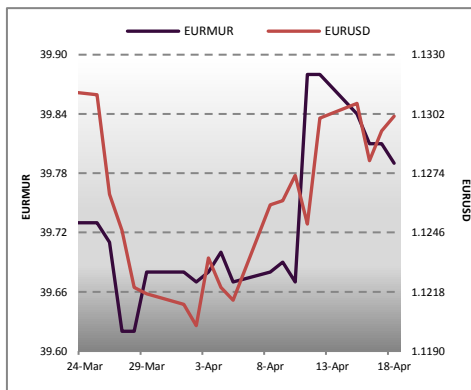
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.55	(0.04)	25.53	(0.04)
CNYMUR	5.13	0.01	5.39	0.01
EURMUR	38.63	(0.02)	39.79	(0.02)
JPYMUR	30.41	0.02	31.63	0.02
ZARMUR	2.42	-	2.54	-
USDMUR	34.37	-	35.27	-
GBPMUR	44.59	(0.07)	45.93	(0.07)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.55	24.56	24.60	25.57	25.64	25.78
EURMUR	38.72	38.90	39.21	39.91	40.15	40.57
ZARMUR	2.41	2.39	2.36	2.53	2.52	2.50
USDMUR	34.37	34.35	34.37	35.29	35.33	35.44
GBPMUR	44.65	44.77	44.97	46.02	46.21	46.54



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7178	0.7199	0.7165	0.7187
EURUSD	1.1295	1.1305	1.1290	1.1301
GBPUSD	1.3040	1.3053	1.3035	1.3046
USDJPY	112.04	112.07	111.85	111.92
USDCHF	1.0103	1.0111	1.0093	1.0097
USDCNH	6.68	6.69	6.68	6.69

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	26,452.66	(0.01)
S&P 500	2,900.45	(0.23)
FTSE 100	7,471.32	0.02
DAX	12,153.07	0.43
CAC 40	5,563.09	0.62
NIKKEI 225	22,138.39	(0.63)
HANGSENG	29,945.51	(0.59)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
17-Apr	08 30	UK	Consumer Price Index (YoY)	Mar	1.9%	2.0%	1.9%
17-Apr	12 30	CA	BoC Consumer Price Index Core (YoY)	Mar	1.6%	1.3%	1.5%
18-Apr	08 00	EU	Markit PMI Composite	Apr	-	51.8	51.6
18-Apr	12 30	US	Retail Sales Control Group	Mar	-	0.4%	-0.2%

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 came off their intraday highs yesterday after investors looked past a round of upbeat Chinese economic data.
- > Although the Chinese data had a muted impact on Treasury trading, investors attribute the general climb in long-term yields since late March on hopes that the country's fiscal stimulus would boost the eurozone and global growth, putting an end to the international economic headwinds that have drawn appetite for extended-maturity bonds and suppressed such yields.
- > The 10-year US Treasury note yield was virtually unchanged at 2.592 percent, while the two-year note yield was down 1.2 basis points to 2.402 percent.
- > The 10-year German government bond yield gained 1.1 basis points to 0.080 percent. The German benchmark maturity has steadily climbed since trading at negative levels a week ago.
- > The result of the 3.84 percent three-Year Government of Mauritius Treasury Notes for a nominal amount of MUR 2,000 million was as follows: out of 17 bids received, only 11 were successful, with the weighted average yield of 3.93 percent.
- > Tomorrow, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 1,000 Mio as well as the 91-Day and 182-Day Bank of Mauritius Treasury bills for a nominal amount of MUR 2,100 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	2.90	-
2M	2.95	-
3M	3.02	2.87
4M	3.20	-
6M	3.31	3.17
8M	3.38	-
10M	3.45	-
1Y	3.51	3.36

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.85	3.65
3 year	4.00	3.80
4 Year	4.30	4.10
5 Year	4.70	4.45
10 Year	5.40	5.15
15 year	5.90	5.65
20 Year	6.15	5.90

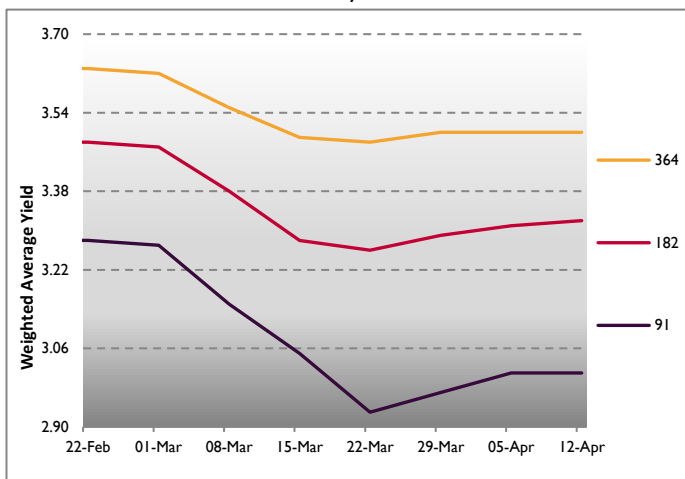
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.25 - 2.50
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	2.3926	2.388
UK Bonds	0.791	0.947
German Bonds	-0.578	-0.358

Local Treasury Bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.438	-0.410	-0.348	-0.307
USD	2.414	2.487	2.592	2.634
GBP	0.694	0.734	0.827	0.949
EURIBOR	-0.378	-0.367	-0.310	-0.232

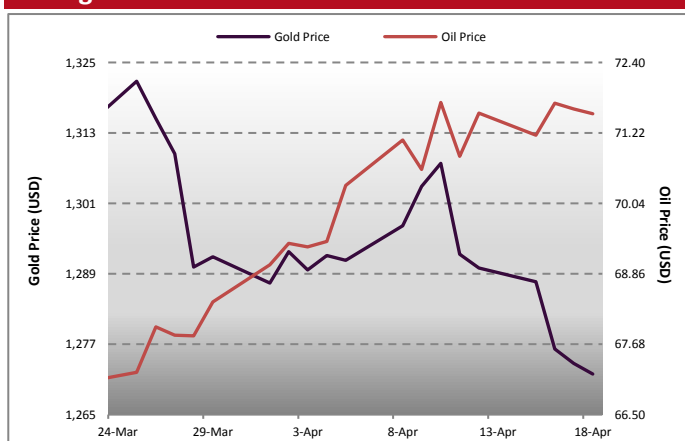
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.266	0.005	0.213	0.516
USD LIBOR - 3m	2.471	2.416	2.454	2.563

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Brent prices drifted away from five-month high yesterday as a persistent rise in US oil output, together with lingering demand emerging from the US-China trade dispute which are limiting any price action upwards.
- > Gold prices saw some support yesterday as the US dollar turned stronger against its peers but this move was short lived as rising yields in the US undermined demand for the precious metal.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	71.20	(0.19)	71.56	(0.06)
Gold (\$)	1,271.92	(1.82)	1,270.10	(2.10)