

FOREIGN EXCHANGE MARKET

News

- > The US dollar pulled back from an 18-month high on Monday after disappointing economic data. The Empire State manufacturing index was lower in December, adding to concerns over the health of the US economy. The reading was at 10.90 from 23.30 in November.
- > The EUR/USD rose to as high as 1.1353 even though EU statistics office Eurostat earlier lowered November' inflation reading.
- > This Tuesday, Germany will release the IFO Business Climate survey for December, expected to indicate further deterioration in sentiment, while the US will offer November Housing Starts and Building Permits.
- > The pound edged off 20-month lows on Monday as British Prime Minister Theresa May rescheduled a delayed vote in parliament on her Brexit plan for mid-January.
- > The AUD/USD pair recovered some of the ground lost on last Friday, driven by a weaker dollar.
- > The USD/JPY pair broke below the 113.00 level amid risk aversion dominating the financial world at the beginning of the week ending the day around 112.70. Fear about a global economic slowdown weighed on high-yielding assets, benefiting the safe-haven yen.
- > The Canadian dollar weakened against its US counterpart on Monday, as lingering worries about global growth weighed on stocks ahead of a potential interest rate hike this week from the Federal Reserve.
- > The US Dollar sheds 8 cents this morning against the Rupee, on the back of weaker than expected US Manufacturing and housing data.

Daily Technical View

EUR/USD -The EUR rallied to 1.1360 against the USD following weaker than expected US manufacturing and housing data. Ahead of tomorrow's Fed's interest rate meeting we may see some more upside towards nearby resistance at 1.1390, if broken the market will target 1.1430/70 whereas on the downside 1.1270 and 1.1320 levels are expected to provide support.

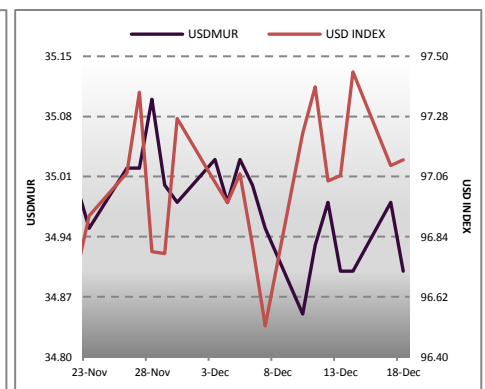
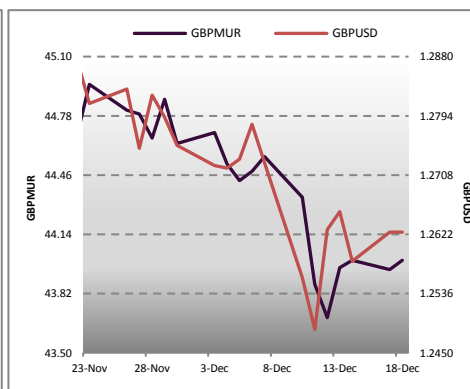
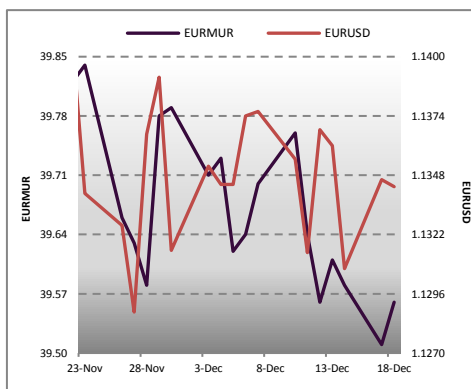
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.32	(0.01)	25.29	(0.01)
CNYMUR	4.93	-	5.18	-
EURMUR	38.41	0.05	39.56	0.05
JPYMUR	29.92	0.18	31.12	0.19
ZARMUR	2.33	(0.01)	2.45	(0.01)
USDMUR	34.00	(0.08)	34.90	(0.08)
GBPMUR	42.72	0.05	44.00	0.05

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.33	24.34	24.37	25.34	25.40	25.53
EURMUR	38.52	38.74	39.08	39.70	39.98	40.43
ZARMUR	2.32	2.31	2.27	2.45	2.44	2.42
USDMUR	34.02	34.03	34.05	34.94	35.01	35.11
GBPMUR	42.80	42.95	43.18	44.11	44.33	44.68



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7180	0.7200	0.7173	0.7193
EURUSD	1.1346	1.1360	1.1340	1.1345
GBPUSD	1.2622	1.2634	1.2610	1.2628
USDJPY	112.82	112.86	112.47	112.62
USDCHE	0.9926	0.9933	0.9922	0.9928
USDCNH	6.90	6.90	6.89	6.89

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,100.51	(2.11)
S&P 500	2,545.94	(2.08)
FTSE 100	6,773.24	(1.05)
DAX	10,772.20	(0.86)
CAC 40	4,799.87	(1.11)
NIKKEI 225	21,158.20	(1.62)
HANGSENG	25,794.11	(1.13)

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%	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

News

> Treasury yields retreated on Monday as appetite for assets perceived as risky, like stocks, continued to weaken ahead of the Federal Reserve decision on Wednesday.

> The 10-year Treasury note yield edged off 3.4 basis points to 2.857 percent.

> The 2-year note gave up 3.1 basis points to 2.702 percent, while the 30-year bond declined 3 basis points to 3.114 percent. All three maturities produced their steepest one-day yield fall since at least December.

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

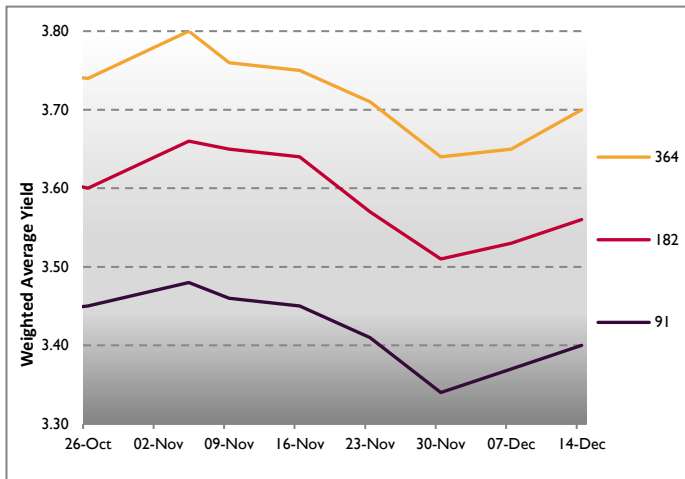
	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.40	4.20
4 Year	4.75	4.55
5 Year	5.10	4.85
10 Year	5.50	5.25
15 year	6.13	5.88
20 Year	6.20	5.95

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	2.6853	2.680
UK Bonds	0.74	0.891
German Bonds	-0.607	-0.277

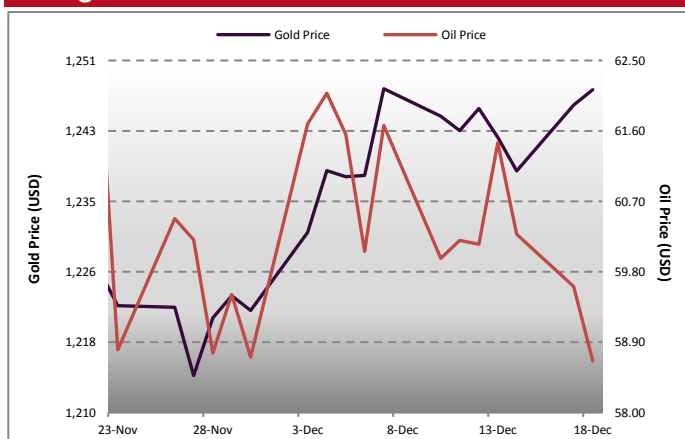
Local Treasury Bills Market

Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.430	-0.407	-0.352	-0.323
USD	2.299	2.470	2.804	2.905
GBP	0.707	0.730	0.906	1.026
EURIBOR	-0.378	-0.368	-0.311	-0.238

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.196	0.210	0.477	0.815
USD LIBOR - 3m	2.808	2.784	2.811	2.876

*Pay fixed and receive floating swap

COMMODITIES
Rolling Gold & Oil Prices


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News

> Oil prices fell more than 2 percent yesterday with the WTI benchmark hitting its lowest level in 14 months, trading below the psychological level of USD 50 this morning, as fear of oversupply are hammering oil prices.

> OPEC recently dedicated itself to reducing oil production by 1.2 million barrels per day start of January but market participants fear that this is set to already be absorbed before it even begins.

> The yellow metal recovered this morning and bounces back from a two week low on a weakening US dollar ahead of the Fed meeting tomorrow while losses in the stock market also boosted gold prices.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	57.55	(0.96)	58.71	(0.90)
Gold (\$)	1,247.82	2.00	1,248.20	0.80