

FOREIGN EXCHANGE MARKET

News

> The greenback ended the day lower against its peers on Tuesday, except for euro ahead of the release of US producer price index and monthly retail sales figures later in the day.

> EUR/USD fell from a high of 1.0869 to a fresh low of 1.0766 on Tuesday amid market talks suggesting ECB officials are considering slowing the pace of tightening cycle from a 50 basis points rate hike in February to a 25 basis point hike starting in March.

> GBP/USD rallied towards 1.2300 on better-than-expected UK employment data while focus now shifts to the December UK consumer inflation figures due this Wednesday.

> AUD/USD edged lower to 0.6950 in Asian trade this morning amid resurgent USD demand.

> USD/CAD traded around 1.3380 after the Canadian Consumer Price Index rose at an annual pace of 6.3 percent in December, while the monthly CPI fell by 0.6 percent.

> The Japanese yen fell sharply this morning after the Bank of Japan at its first monetary policy meeting of this year, made no changes to their monetary policy settings in December, maintaining rates at -10bps and 10yr JGB yield target unchanged at 0.00 percent .

> The South African rand weakened on Tuesday following disappointing mining data in November.

> USD/MUR opens at MUR 44.15/USD on the offer, while the EUR/MUR opens at MUR 47.67/EUR.

Daily Technical View

EUR/USD - Failure to break Monday's high at 1.0875, bearish bias returned to the table with probability for the single currency to test support at 1.0725. Resistance is drawn at triple top formation at 1.0870/75.

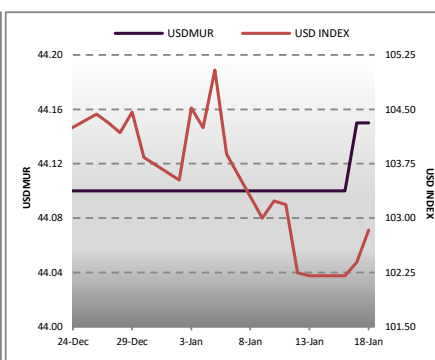
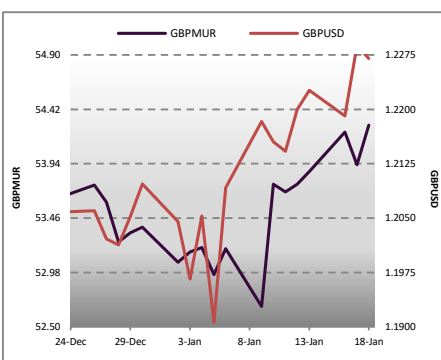
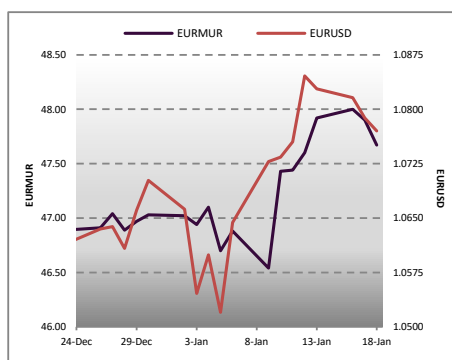
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.08	0.09	31.55	0.09
CNYMUR	6.37	(0.01)	6.70	(0.01)
EURMUR	46.28	(0.22)	47.67	(0.23)
JPYMUR	32.65	(0.61)	34.38	(0.64)
ZARMUR	2.49	-	2.65	-
USDMUR	43.25	-	44.15	-
GBPMUR	52.70	0.34	54.28	0.35

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.07	30.03	29.96	31.56	31.57	31.60
EURMUR	46.30	46.32	46.26	47.74	47.85	47.95
ZARMUR	2.48	2.46	2.43	2.64	2.63	2.61
USDMUR	43.18	43.02	42.77	44.11	44.05	44.00
GBPMUR	52.65	52.56	52.46	54.28	54.30	54.36



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6987	0.7002	0.6974	0.6987
EURUSD	1.0788	1.0799	1.0767	1.0775
GBPUSD	1.2288	1.2292	1.2256	1.2272
USDJPY	128.09	131.57	128.12	131.21
USDCHF	0.9217	0.9245	0.9217	0.9237
USDCNH	6.77	6.79	6.77	6.78

Major Indices

	Value at Close	Day Change %
DOW JONES	34,302.61	(1.14)
S&P 500	8,506.03	(0.20)
FTSE 100	7,851.03	(0.12)
DAX	15,187.07	0.35
CAC 40	7,077.16	0.48
NIKKEI 225	26,138.68	(0.06)
HANGSENG	21,619.94	0.20

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
18-Jan	07 00	UK	Consumer Price Index (YoY)	Dec	-	10.6%	10.7%
18-Jan	13 30	US	Retail Sales (MoM)	Dec	-	0.1%	-0.6%
19-Jan	00 30	AU	Employment Change	Dec		22.5K	64K
20-Jan	01 15	CY	PBoC Interest Rate Decision				3.65%

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 Treasury yields closed higher yesterday, as traders returned from a three-day holiday weekend weighing a batch of somewhat more upbeat global economic data and a disappointing reading on a key US factory index.

> The yield on the US 2-year Treasury note eased to 4.19 percent, while the 10-year Treasury yield gained 2.4 basis points to trade at 3.534 percent. The long-bond yield gained 2.6 basis points to trade at 3.646 percent.

> Earlier today, the Bank of Japan decided to maintain its short-term policy interest rate at negative 0.1 percent, and kept its long-term interest rate at 0 percent. The decision marks the seventh year that the central bank has held interest rates at record lows.

> Tomorrow, the Bank of Mauritius will hold the auction for the 182-day Government of Mauritius Treasury Bills for a nominal amount of MUR 500 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	2.85	2.70
2M	3.00	2.85
3M	3.15	3.00
4M	3.25	3.10
6M	3.40	3.25
8M	3.48	3.33
10M	3.57	3.42
1Y	3.65	3.50

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.25	4.05
3 year	4.90	4.70
4 Year	5.05	4.85
5 Year	5.25	5.00
10 Year	6.00	5.75
15 year	6.30	6.05
20 Year	6.55	6.30

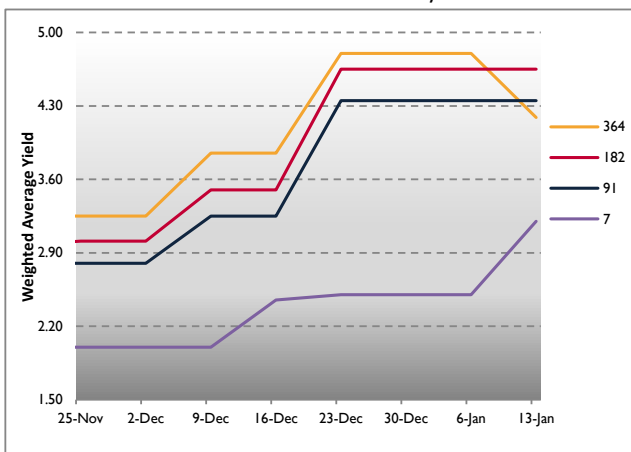
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	4.25 - 4.50	3.75 - 4.00
BoE Bank Rate	3.50	3.00
ECB Ref. Rate	2.50	2.00
RBA Cash Rate	3.10	2.85

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.1877	3.572
UK Bonds	3.467	3.287
German Bonds	2.456	2.083

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.454	4.792	5.101
GBP	-	3.622	3.975	4.381
EURIBOR	1.895	1.908	2.328	2.876

* LIBOR rates delayed by 48 hours. Source: ICE

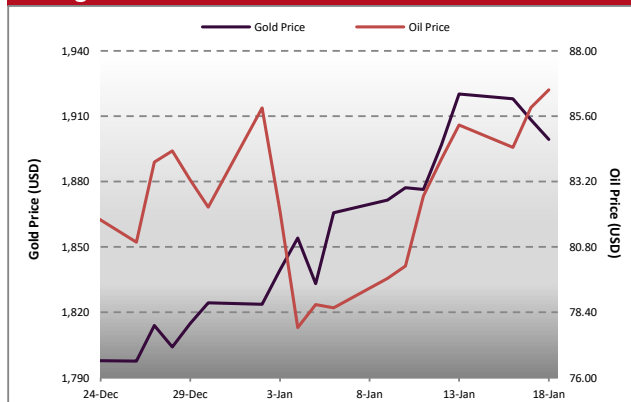
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.021	2.624	2.586	2.637
USD LIBOR - 3m	4.441	3.619	3.499	3.442

* Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

> The new year rally in gold prices appears to have run out of steam, with the yellow metal dropping to test the USD 1,900 level, as the dollar regains some strength.

> The Organization of Petroleum Exporting Countries revealed in a monthly report on Tuesday that a Chinese reopening will spur a strong rebound in crude demand this year, driving oil prices higher. But the cartel left its global oil demand forecast unchanged at a rise of 2.22 million barrels per day.

> Focus is now on a monthly report from the International Energy Agency (IEA) due later in the day.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	85.92	1.27
Gold (\$)	1,896.90	(11.49)