

## FOREIGN EXCHANGE MARKET

### News

- > The US dollar edged firmly higher against all of its major peers on Tuesday as the US government announced a massive relief package to fight the coronavirus crisis. The Federal Reserve announced plans to relaunch the Commercial Paper Funding Facility that was used during the 2007-2009 financial crisis to inject liquidity into the markets.
- > EUR/USD hit an 18-day low at 1.0955 on Tuesday due to downbeat ZEW data showing that economic sentiment collapsed to -49.5 in the Union and -49.5 in Germany.
- > The GBP/USD pair fell to 1.2000, its lowest since last September on the back UK mixed employment data before recovering to 1.2114 after UK PM Johnson and Finance Minister Sunak announced measures to fight the crisis.
- > Having maintained a relatively tight range bouncing between 0.6070 and 0.6140 the AUD/USD pair tumbled to a fresh multi-year low of 0.5958 on broad based US dollar strength.
- > USD/JPY rallied to session highs at 107.86 in New York trade on USD strength along with rise in US equities and yields.
- > South African rand strengthened against the dollar on Tuesday while investors focus on a rate decision due from South Africa Central Bank on Thursday.
- > The US Dollar opens at Rs39.70 on the offer this morning, with the market still being impacted by the COVID-19 virus.

### Daily Technical View

EUR/USD - The demand for dollar surged across the board yesterday amid the ongoing funding squeeze as there remains a growing fear over USD shortage. EUR/USD was heavily under pressure trading as low as 1.0955 from a high of 1.1185, its largest daily decline since June 2018. The pair is trading around 1.1025 this morning and expect intraday rallies to be capped at 1.1050/70. To the downside, support lies at 1.0950/70 and a break below would open the door to 1.0850/80.

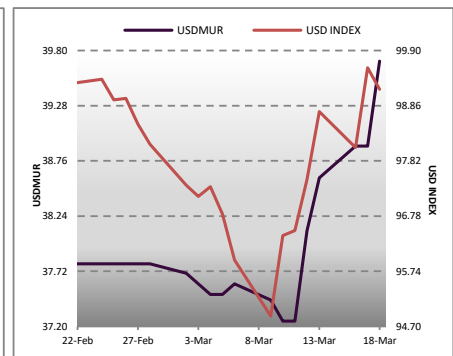
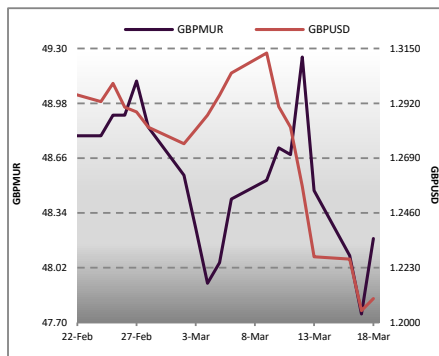
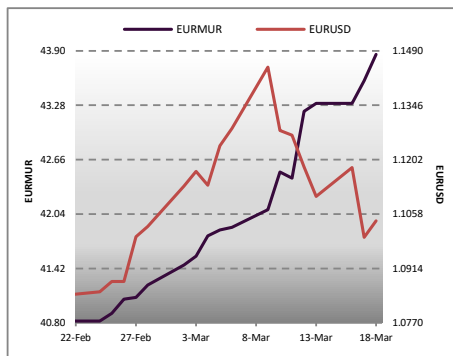
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.24	0.03	24.17	0.03
CNYMUR	5.52	0.10	5.80	0.10
EURMUR	42.58	0.29	43.86	0.30
JPYMUR	35.85	0.52	37.28	0.54
ZARMUR	2.30	0.04	2.45	0.04
USDMUR	38.80	0.80	39.70	0.80
GBPMUR	46.79	0.43	48.19	0.44

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.25	23.27	23.30	24.19	24.24	24.33
EURMUR	42.64	42.78	42.98	43.95	44.14	44.45
ZARMUR	2.29	2.27	2.23	2.44	2.43	2.40
USDMUR	38.81	38.85	38.90	39.73	39.82	39.96
GBPMUR	46.82	46.89	47.00	48.24	48.38	48.59



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.5998	0.6027	0.5983	0.6001
EURUSD	1.0995	1.1044	1.0986	1.1020
GBPUSD	1.2050	1.2129	1.2051	1.2101
USDJPY	107.66	107.70	106.77	106.92
USDCHF	0.9608	0.9618	0.9569	0.9587
USDCNH	7.03	7.04	7.02	7.04

#### Major Indices

	Value at Close	Day Change %
DOW JONES	20,188.52	5.20
S&P 500	2,529.19	6.00
FTSE 100	5,294.90	2.79
DAX	8,939.10	2.25
CAC 40	3,991.78	2.84
NIKKEI 225	17,081.38	0.41
HANGSENG	22,676.01	(2.53)

### 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 Treasury yields recouped some lost ground yesterday, as bond and equity markets struggled for stability amid continued questions about whether the US government would deploy aggressive fiscal stimulus policies to cushion the anticipated economic blow from the COVID-19 outbreak.
- > After a volatile few weeks, bond-market traders were looking to find some semblance of stability, with stocks trading sharply higher. The S&P 500 and Dow Jones Industrial Average are still down more than 20 percent year to date.

- > The 10-year US Treasury note yield gained 27.2 basis points to 0.994 percent, its biggest one-day climb since September 2008. The 2-year note rate rose by 9.3 basis points to 0.453 percent, while the 30-year bond yield surged by 25.5 basis points to 1.574 percent.
- > Today, the Bank of Mauritius will issue the 28-Day Bank of Mauritius Bills for a nominal amount of MUR 2,000 Mio at a fixed rate of 1.70 percent per annum.

### 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

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

#### 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

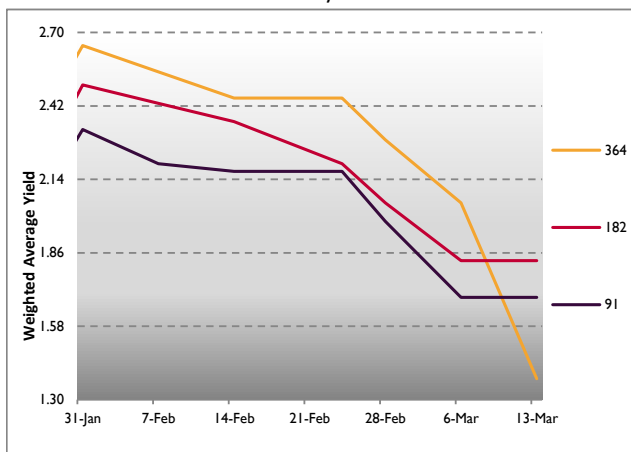
#### Key Central Bank Rates

	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	0.4337	0.649
UK Bonds	0.372	0.486
German Bonds	-0.829	-0.635

#### Local Treasury Bills Market



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.552	-0.528	-0.420	-0.369
USD	0.638	0.612	0.889	0.844
GBP	0.193	0.253	0.487	0.605
EURIBOR	-0.507	-0.488	-0.410	-0.372

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.427	-0.271	-0.162	-0.031
USD LIBOR - 3m	0.525	0.724	0.810	0.947

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > Crude oil prices settled below the USD 30 level amid low demand due to the pandemic and market share battle between Saudi Arabia and Russia.
- > The API reported a modest decline in crude inventories for last week while stating that gasoline and distillate inventories were sharply down. The US Energy Department will release official government figures later in the day.
- > Gold sell off halted as the US announced additional stimulus though the strong greenback capped gains.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	28.43	-
Gold (\$)	1,510.50	(17.78)