

FOREIGN EXCHANGE MARKET

News

- > The greenback ended the day lower against majority of its peers on Tuesday on caution ahead of the Federal Reserve rate decision this Wednesday and due to drop in US stocks and Treasury yields.
- > EUR/USD strengthened to 1.1400 on dollar broad-based weakness and on the back of easing political uncertainty in the bloc as Italy agreed a deal with the European Commission over its 2019 budget.
- > GBP/USD rose to 1.2640, but eased from a session high of 1.2707 after the British government stated it would ramp up preparations for a no-deal Brexit, which would see the UK leave the European Union without a trade agreement.
- > The USD/JPY pair retreated to 112.25 due to a drop in US Treasury yields.
- > The South African rand firmed on Tuesday, helped by a fragile dollar.
- > The Canadian dollar weakened to a 1 1/2-year low against its US counterpart on Tuesday, as the price of oil, one of Canada major exports, slumped.
- > The US Dollar sheds a further 5 cents against the Rupee this morning, with the much-awaited Fed Interest Rate Decision due later tonight.

Daily Technical View

The Greenback was under pressure yesterday amidst profit taking ahead of today's FOMC meeting. While a rate hike is highly expected, the future rate path remains a contentious issue and will be scrutinized by traders today. EURUSD shrugged off poor data from Germany and traded as high as 1.1400 before recovering to trade around 1.1380 this morning. Intraday support lies at 1.1350/60 and while rallies should be capped at 1.1430/50 before the FOMC. Major levels are 1.1230/50 on the downside and 1.1500/30 on the upside.

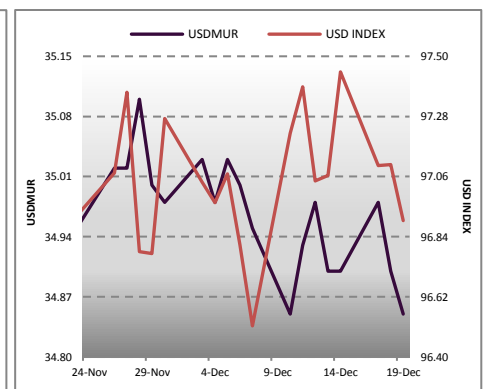
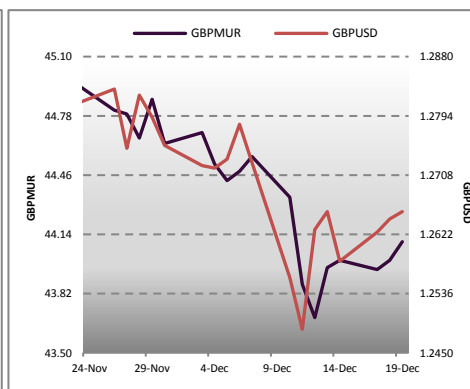
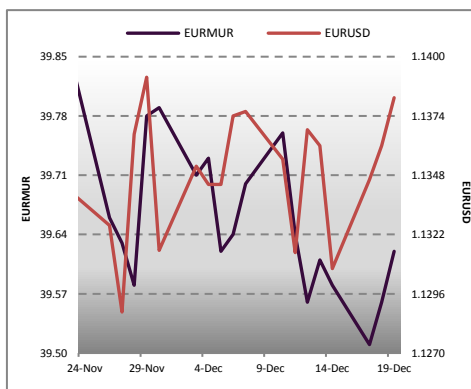
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.32	-	25.29	-
CNYMUR	4.92	(0.01)	5.17	(0.01)
EURMUR	38.47	0.06	39.62	0.06
JPYMUR	29.93	0.01	31.13	0.01
ZARMUR	2.34	0.01	2.46	0.01
USDMUR	33.95	(0.05)	34.85	(0.05)
GBPMUR	42.82	0.10	44.10	0.10

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	38.58	38.80	39.14	39.76	40.04	40.49
ZARMUR	2.33	2.32	2.28	2.46	2.45	2.43
USDMUR	33.97	33.98	34.00	34.89	34.96	35.06
GBPMUR	42.90	43.05	43.28	44.21	44.43	44.78



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7180	0.7200	0.7178	0.7197
EURUSD	1.1359	1.1390	1.1361	1.1386
GBPUSD	1.2638	1.2678	1.2636	1.2660
USDJPY	112.51	112.60	112.20	112.34
USDCHE	0.9924	0.9929	0.9916	0.9928
USDCNH	6.89	6.89	6.89	6.89

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	23,592.98	0.35
S&P 500	2,546.16	0.01
FTSE 100	6,701.59	(1.06)
DAX	10,740.89	(0.29)
CAC 40	4,754.08	(0.95)
NIKKEI 225	20,988.95	(0.60)
HANGSENG	25,825.57	0.04

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
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%
20-Dec	00 30	AU	Unemployment Rate s.a.	Nov	-	5%	5%
20-Dec	12 00	UK	BoE 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

News

> Treasury prices rose on Tuesday, pushing yields lower, after stocks struggled to bounce back from their multi-session rout amid an oil slump and a Federal Reserve meeting, where a rate hike is expected.

> The 10-year Treasury note yield was down 3.2 basis points to 2.825 percent, its lowest since August 23. The benchmark rate approached near 2.80 percent, the lowest of its trading range of the past seven months.

> The 2-year note yield slipped 5.2 basis points to 2.650 percent, while the 30-year bond yield fell 3.7 basis points to 3.077 percent. Both maturities hit their lowest levels since September 6.

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

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	2.65	2.646
UK Bonds	0.748	0.91
German Bonds	-0.597	-0.274

Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.433	-0.418	-0.350	-0.315
USD	2.369	2.470	2.792	2.876
GBP	0.708	0.730	0.906	1.021
EURIBOR	-0.378	-0.369	-0.311	-0.237

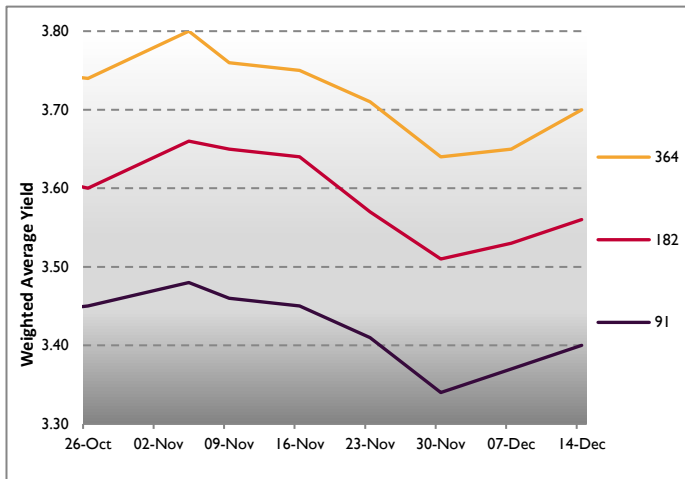
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.205	0.203	0.466	0.800
USD LIBOR - 3m	2.760	2.711	2.745	2.829

*Pay fixed and receive floating swap

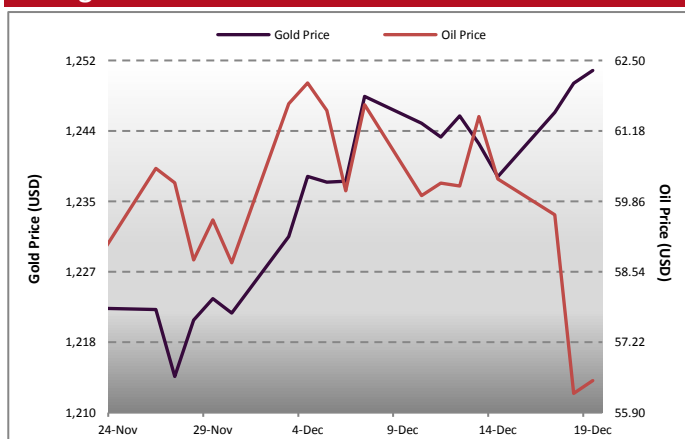
[Click here to access our Mauritian Bond Market page](#)

Local Treasury Bills Market



COMMODITIES

Rolling Gold & Oil Prices



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News

> Gold prices were little changed yesterday and kept steady as traders prepared themselves for the last and probably most important FOMC meeting today. The yellow metal however managed to break the USD 1,250 level overnight and kept the momentum this morning.

> The WTI benchmark was smashed yesterday after prices touched a 14-month low of USD 46.12, losing as much as 7.3 percent overnight while oil prices later recovered despite concerns over a global supply glut and an economic slowdown.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	55.22	(2.32)	56.47	0.21
Gold (\$)	1,251.43	2.14	1,249.20	1.80