

FOREIGN EXCHANGE MARKET

News

>The US Dollar ended Wednesday with gains against most major peers, reversing early losses as softer-than-expected US data revived recession fears. The US PPI increased at an annual pace of 6.2 percent, declining from 7.3 percent in November while retail Sales contracted by 1.1 percent in December.

>EUR/USD pair retreated sharply from a fresh 2023 high of 1.0886 and ended the day below the 1.0800 threshold as the dollar benefited from dismal US data, bringing back recession fears to the table.

>GBP/USD eased towards 1.2300 as renewed US Dollar demand pushed the pair away from an intraday high of 1.2435, its highest in a month. The UK annualized CPI came in at 10.5 percent in December, easing from 10.7 percent in November.

>The Japanese yen fell more than 2% against the US dollar on Wednesday, retreating sharply from multi-month highs as the Bank of Japan maintained its ultra-low interest rates and left its yield control policy unchanged.

>AUD/USD tumbled to 0.6893 this morning after hitting a multi-month high at 0.7063 yesterday on downbeat Australian employment data.

>The Canadian dollar tumbled to its lowest level in nearly two weeks against its US counterpart amid falling oil prices.

>The South African rand weakened on Wednesday following the expected domestic inflation figures, sparking hopes of smaller rate hikes.

> The USD/MUR gains 5 cents this morning, opening at 44.20/USD on the offer, while the EUR/MUR opens at MUR 47.81/EUR.

Daily Technical View

EUR/USD – The single currency plunged from a high at 1.0887 to confluent area around 1.08 in U.S trading hours, displaying low risk appetite amid market is waiting for ECB's President Lagarde speech this afternoon. Consolidation of the pair signals a failure to break above the resistance 1.09 psychological level, and displays bearish momentum for the pair to test support at 1.06 area.

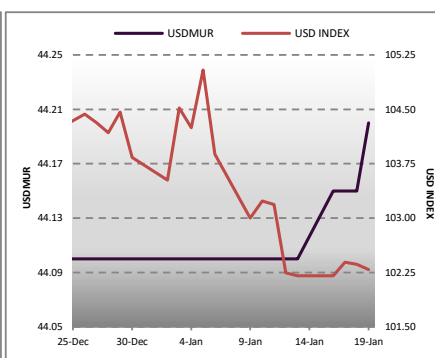
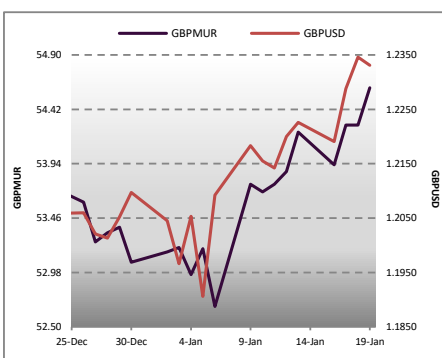
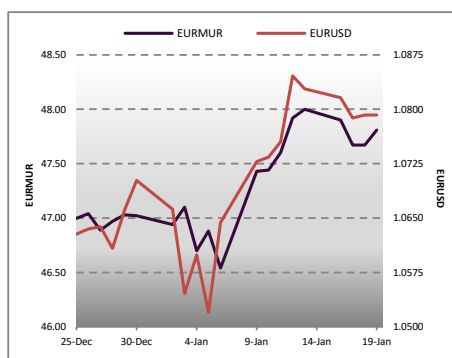
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.71	(0.37)	31.17	(0.38)
CNYMUR	6.38	0.01	6.71	0.01
EURMUR	46.42	0.14	47.81	0.14
JPYMUR	33.47	0.82	35.24	0.86
ZARMUR	2.48	(0.01)	2.64	(0.01)
USDMUR	43.30	0.05	44.20	0.05
GBPMUR	53.02	0.32	54.61	0.33

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.70	29.66	29.59	31.18	31.19	31.22
EURMUR	46.44	46.46	46.40	47.88	47.99	48.09
ZARMUR	2.47	2.45	2.42	2.63	2.62	2.60
USDMUR	43.23	43.07	42.81	44.16	44.10	44.05
GBPMUR	52.97	52.88	52.77	54.61	54.63	54.70



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6942	0.6948	0.6894	0.6898
EURUSD	1.0788	1.0805	1.0783	1.0795
GBPUSD	1.2349	1.2351	1.2320	1.2333
USDJPY	128.89	128.94	127.77	127.95
USDCNH	0.9162	0.9178	0.9151	0.9165
USDCNH	6.77	6.79	6.76	6.78

Major Indices

	Value at Close	Day Change %
DOW JONES	33,910.85	(1.81)
S&P 500	8,373.66	(1.50)
FTSE 100	7,830.70	(0.26)
DAX	15,181.80	(0.03)
CAC 40	7,083.39	0.09
NIKKEI 225	26,791.12	0.02
HANGSENG	21,660.68	(0.08)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
19-Jan	10 30	EU	ECB President Lagarde Speech		-	-	-
19-Jan	00 30	AU	Employment Change	Dec			
20-Jan	13 30	CA	Retail Sales	Nov		-0.5%	1.4%
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

> Treasury yields closed lower yesterday, after data showed that US wholesale prices slid 0.5 percent in December, the biggest decline since April 2020, while retail sales dropped 1.1 percent, contracting for the second month in a row.

> The yield on the 2-year US Treasury note gave away 11.4 basis points, trading at 4.076 percent, while the 10-year Treasury note yield dropped 16 basis points to 3.374 percent. The long-bond yield slid to 3.542 percent, its lowest finish since December 16.

> In Europe, the benchmark 10-year bund yields eased to 2.087 percent after data showed that the eurozone inflation fell from 10.1 percent in November to 9.2 percent in December, matching forecasts.

> Today, 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

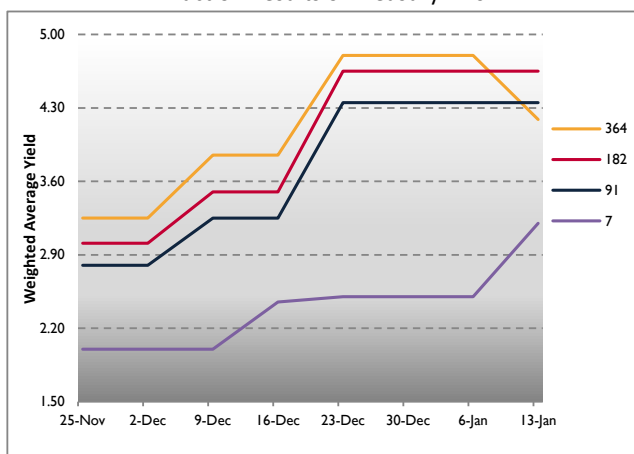
Key Central Bank Rates

	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	4.0464	3.394
UK Bonds	3.451	3.247
German Bonds	2.447	2.035

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

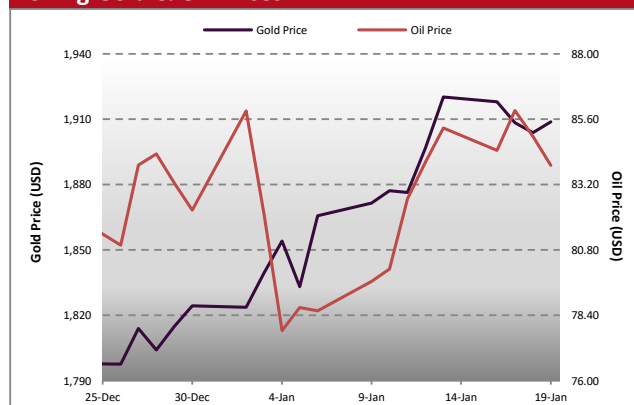
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.005	2.618	2.561	2.593
USD LIBOR - 3m	4.305	3.423	3.333	3.297

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

> Gold prices recovered slightly from a two-day losing streak this morning in Asia amid persistent weakness in US Treasury bond yields. Growing uncertainty over a potential recession and the path of US monetary policy further underpinned the bullion.

> Oil prices dipped as data from the American Petroleum Institute showed that US oil inventories grew 7.6 million barrels last week against expectations for a drop for a second consecutive week. However, losses in crude markets were limited as traders held out hope for a Chinese economic rebound this year.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	87.98	2.07
Gold (\$)	1,909.78	6.02