

FOREIGN EXCHANGE MARKET

News

- > The dollar soared across the board on Wednesday, hitting multi-year highs against several major currencies, as companies and investors worried by the coronavirus outbreak rushed to the perceived safety of the US currency.
- > EUR/USD collapsed to 1.0807, approaching this year's low at 1.0777 as demand for the Euro slipped due to US Dollar strength and Europe worsening coronavirus outlook.
- > GBP/USD pair plunged to its lowest since 1985, trading as low as 1.1450 falling past the 1.1491 level hit during the October 2016 flash crash, as coronavirus fears and a global rush to hold dollars overshadowed stimulus efforts.
- > The USD/JPY pair surged to 109.55, its highest since February as dollar demand overshadowed yen safe-haven condition.
- > The Australian dollar sank to a fresh 17-year low of 0.5508 against the greenback, while the New Zealand dollar hit a near 11-year low of 0.5697 cents. The RBA cut rates by 25 basis points and announced a bond purchase program.
- > The Canadian dollar weakened to a four-year low 1.4650 against the greenback on Wednesday as oil prices tumbled.
- > South African rand fell to a more than four year low of 16.98 against the US dollar ahead of a key interest rate decision this Thursday.
- > The Bank of Mauritius intervened on the domestic foreign exchange market at the ask rate of MUR 38.85/USD.
- > The US Dollar sheds 40 cents this morning against the Rupee. The GBP/MUR sheds MUR 2.91 this morning with the international market backing the US Dollar.

Daily Technical View

EUR/USD - The insatiable demand for dollar remained across the board as most currencies crashed, with GBP/USD falling 1 percent to 1.1490. EUR/USD cleared through 1.0950 support and slumped to a low of 1.0800. The pair is trading around 1.0900 this morning and intraday rallies should be capped around 1.0950/70. Support lies at 1.0800/30 with 1.0700/40 the major level below.

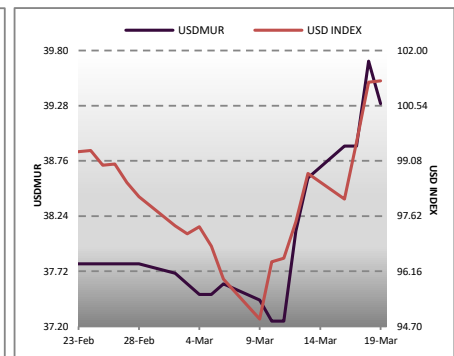
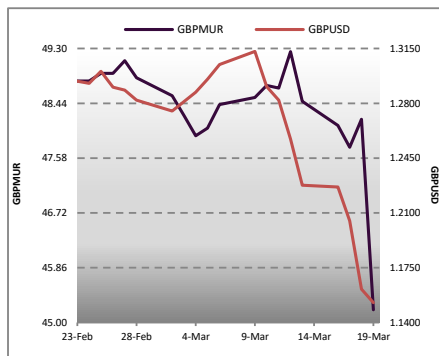
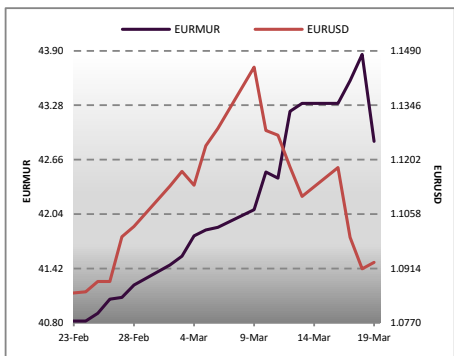
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	21.33	(1.91)	22.18	(1.99)
CNYMUR	5.39	(0.13)	5.67	(0.13)
EURMUR	41.62	(0.96)	42.87	(0.99)
JPYMUR	34.80	(1.05)	36.19	(1.09)
ZARMUR	2.16	(0.14)	2.30	(0.15)
USDMUR	38.40	(0.40)	39.30	(0.40)
GBPMUR	43.88	(2.91)	45.20	(2.99)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	21.34	21.36	21.39	22.20	22.24	22.33
EURMUR	41.68	41.82	42.01	42.96	43.15	43.44
ZARMUR	2.15	2.13	2.10	2.29	2.28	2.26
USDMUR	38.41	38.45	38.50	39.33	39.41	39.56
GBPMUR	43.91	43.97	44.08	45.25	45.37	45.58



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.5770	0.5815	0.5508	0.5690
EURUSD	1.0913	1.0980	1.0879	1.0935
GBPUSD	1.1617	1.1666	1.1475	1.1531
USDJPY	108.05	109.55	107.87	108.72
USDCHF	0.9676	0.9736	0.9640	0.9655
USDCNH	7.07	7.12	7.06	7.10

Major Indices

	Value at Close	Day Change %
DOW JONES	21,237.38	(6.30)
S&P 500	2,398.10	(5.18)
FTSE 100	5,080.58	(4.05)
DAX	8,441.71	(5.56)
CAC 40	3,754.84	(5.94)
NIKKEI 225	16,470.47	(1.53)
HANGSENG	21,734.75	(2.50)

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	1.8%	1.7%	1.8%
18-Mar	21 45	NZ	Gross Domestic Product (QoQ)	Q4	0.4%	0.5%	0.8%
19-Mar	-	AU	RBA Interest Rate Decision	-	0.25%	-	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 jumped on Wednesday as investors rushed to raise cash by selling liquid assets amid worries about the extra flood of debt government's are issuing for fiscal stimulus packages to combat the economic impact of the coronavirus epidemic.
- > The S&P 500 and the Dow Jones Industrial Average recorded sharp losses on Wednesday. The blue-chip Dow is down more than 30 percent year-to-date.
- > The 10-year Treasury note yield climbed 26.5 basis points to a three-week high of 1.259 percent, a day after the benchmark maturity recorded its biggest one-day climb since September 2008. The 2-year note rate gained 6.9 basis points to 0.522 percent.
- > The result of the 3.10 percent 3-Year government of Mauritius Treasury notes for a nominal amount of MUR 1,700 Mio was as follows: out of 14 bids received, only 1 was successful, with the weighted average yield of 1.94 percent and a bid to cover ratio of 2.59.
- > As for the 28-Day Bank of Mauritius Bills, the weighted average yield was published at 1.70 percent with the bid to cover ratio at 3.05.
- > Tomorrow, the Bank of Mauritius will issue the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 700 Mio as well as the 91-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 3,000 Mio.

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	1.80	1.60
3 year	2.10	1.90
4 Year	2.50	2.30
5 Year	2.95	2.70
10 Year	3.50	3.25
15 year	3.95	3.70
20 Year	4.50	4.25

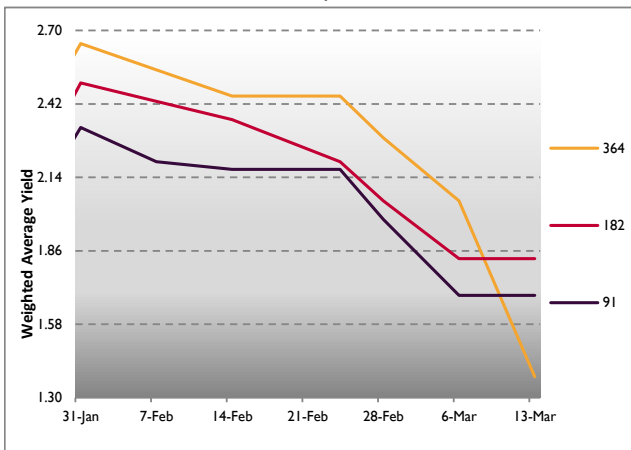
Key Central Bank Rates

	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	0.5329	0.815
UK Bonds	0.468	0.589
German Bonds	-0.777	-0.505

Local Treasury Bills Market



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.531	-0.526	-0.395	-0.351
USD	0.675	0.750	1.052	0.913
GBP	0.208	0.256	0.512	0.607
EURIBOR	-0.513	-0.495	-0.408	-0.373

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.415	-0.198	-0.079	0.054
USD LIBOR - 3m	0.634	0.852	0.967	1.092

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

- > Oil prices initially sunk yesterday, with US crude futures touching an 18-year low as more countries locked-down in an attempt to contain the coronavirus spread. This morning, oil rebounded nearly 20 percent.
- > Goldman Sachs suggested that global oil demand could decline as much as 8 – 9 million bpd by the end of March.
- > Gold suffered heavy losses to trade at around USD 1,470 an ounce as investors rushed towards cash amid virus fears.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	23.25	(5.17)
Gold (\$)	1,481.73	(4.27)