

FOREIGN EXCHANGE MARKET

News

- > The US dollar index retreated from its 16-month high and is now trading around 95.50 while risks of stagflation underpins the prospects of a stronger dollar.
- > US data released on Thursday revealed weekly jobless claims falling to fresh post-pandemic low at 269K and an improvement in business conditions.
- > EUR/USD climbed back from its July 2020 low near 1.1260 to trade above 1.1360 this morning, underpinned by some profit-taking in the dollar and lower US yields.
- > GBP/USD approached the 1.3500 mark on broad dollar weakness while markets await Brexit talks and UK retail sales data.
- > USD/JPY hovered around the 114 mark during Asian trading, supported by improved US 10-year Treasury yields. The yen failed to react to Japan inflation data released this morning while market players will be waiting for news about Japan mega stimulus plan.
- > AUD/USD recouped some of its recent losses and hovered below the 0.7300 level while cautious optimism prevails.
- > The USD/CAD pair pulled back from its recent seven-week high of 1.2610 amid a softer dollar and higher oil prices.
- > The South African Reserve Bank raised on Thursday its main repo rate to 3.75 percent, its first increase since taking the rate to a record low 3.5 percent in April 2020.
- > The Bank of Mauritius intervened on the domestic foreign exchange market yesterday and sold a total of USD 10 Mio at the rate of MUR 42.92/USD.
- > Post intervention, the USD/MUR opens at MUR 43.37/USD with the market hopeful for some inflows from Corporates as from this week.

Daily Technical View

The Greenback extended its pullback from the 16-month high hit earlier in the week amid further profit-taking. EUR/USD gained for the second day, printing a high of 1.1374 before retreating to trade around 1.1350 this morning. Resistance lies at 1.1400/20 while 1.1460/80 should cap the upside. A slide under 1.1330 would shift the pressure back to the downside and expose the recent lows at 1.1265/80.

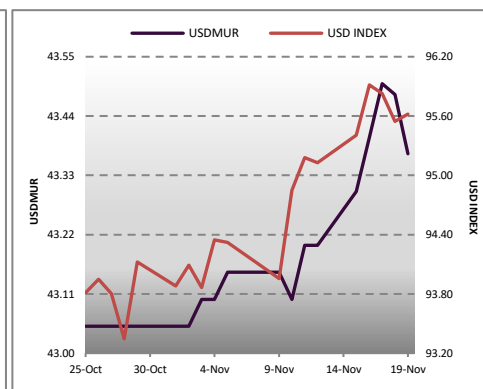
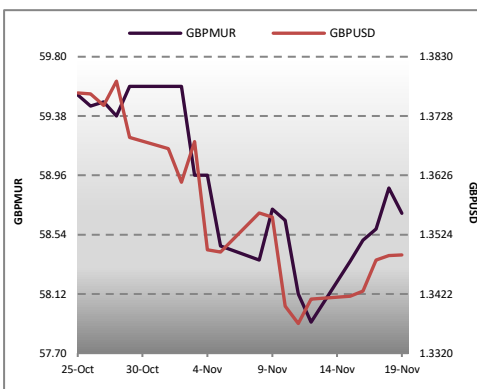
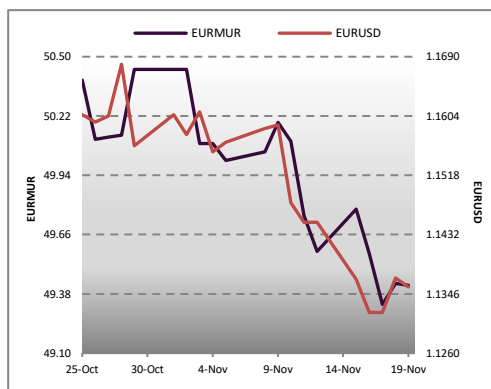
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.73	(0.08)	31.96	(0.08)
CNYMUR	6.64	(0.03)	6.98	(0.03)
EURMUR	47.98	(0.01)	49.42	(0.01)
JPYMUR	36.76	(0.20)	38.23	(0.21)
ZARMUR	2.70	(0.01)	2.88	(0.01)
USDMUR	42.47	(0.11)	43.37	(0.11)
GBPMUR	56.98	(0.18)	58.69	(0.18)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.72	30.70	30.66	31.98	32.04	32.14
EURMUR	47.97	47.95	47.92	49.48	49.62	49.86
ZARMUR	2.68	2.65	2.59	2.88	2.87	2.87
USDMUR	42.45	42.41	42.30	43.40	43.48	43.58
GBPMUR	56.97	56.92	56.79	58.73	58.81	58.95



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7279	0.7288	0.7268	0.7288
EURUSD	1.1369	1.1373	1.1352	1.1363
GBPUSD	1.3490	1.3504	1.3482	1.3502
USDJPY	114.23	114.39	114.24	114.32
USDCHF	0.9261	0.9274	0.9255	0.9263
USDCNH	6.38	6.39	6.38	6.39

Major Indices

	Value at Close	Day Change %
DOW JONES	35,931.05	(0.17)
S&P 500	4,704.54	0.34
FTSE 100	7,255.96	(0.48)
DAX	16,221.73	(0.18)
CAC 40	7,141.98	(0.21)
NIKKEI 225	29,717.92	0.40
HANGSENG	25,062.16	(1.02)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
18-Nov	13 30	US	Initial Jobless Claims	Nov	268K	260K	269K
19-Nov	07 00	UK	Retail Sales (YoY)	Oct	-	-2.0%	-1.3%
19-Nov	13 30	CA	Retail Sales (MoM)	Sep	-	-1.7%	2.1%
22-Nov	01 30	CN	PBoC Interest Rate Decision	-	-	-	3.85%

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

- > The 10- and 30-year US Treasury yields posted their biggest two-day drops in over a week amid a continued rally in government bonds, as traders continued to focus on the impact that persistent inflation may take on the US economy.
- > Analysts believe that the drop in yields appeared to be driven largely by technical factors, with Treasury prices due for a bounce after becoming significantly oversold in the wake of last week's hotter-than-expected US October Consumer Price Index reading.
- > Yesterday, data showed US jobless claims dipping 1,000 to a pandemic low of 268,000 in the seven days ended November 13, as labour shortages forced businesses to avert layoffs. Economists had expected first-time claims for unemployment benefits to fall to 260,000.
- > The 30-year Treasury bond yield gave away 2.6 basis points to trade at 1.971 percent, while the yield on the 10-year Treasury note dropped 1.8 basis points to 1.586 percent. The 2-year Treasury note yield declined less than 1 basis point to 0.5 percent.
- > Today, the Bank of Mauritius will hold the auction for the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 800 Mio.

Market Highlights
Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.55	0.40
2M	0.60	0.45
3M	0.65	0.50
4M	0.75	0.60
6M	0.85	0.70
8M	0.95	0.80
10M	1.00	0.85
1Y	1.05	0.90

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.75	2.55
5 Year	3.05	2.80
10 Year	4.35	4.10
15 year	4.60	4.35
20 Year	4.85	4.60

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	1.85	1.85
Fed Funds Rate	0.00 - 0.25	0.00 - 0.25
BoE Bank Rate	0.10	0.10
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.10	0.10

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.5088	1.236
UK Bonds	0.535	0.677
German Bonds	-0.753	-0.582

Money Market Rates

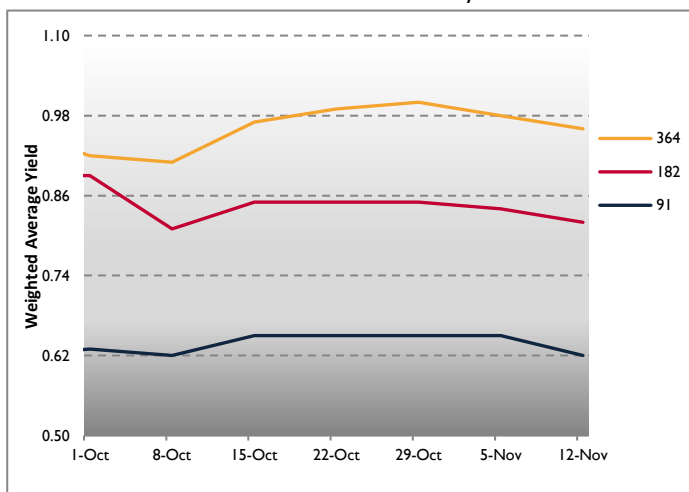
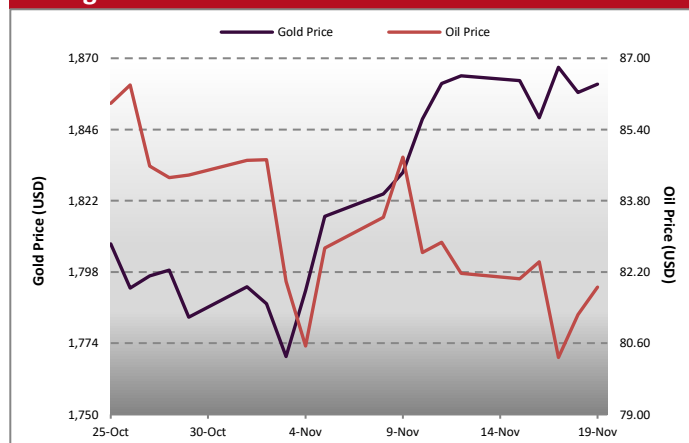
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.583	-0.575	-0.567	-0.547
USD	0.075	0.089	0.158	0.229
GBP	0.040	0.056	0.119	0.311
EURIBOR	-0.577	-0.567	-0.567	-0.538

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.368	-0.122	-0.015	0.157
USD LIBOR - 3m	0.761	1.340	1.506	1.642

*Pay fixed and receive floating swap

Auction Results of Treasury Bills

COMMODITIES
Rolling Gold & Oil Prices


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News

- > Oil prices rose on Friday, after wild swings the day before, on investor concerns that potential coordinated releases by the world's major economies of their official crude reserves to try to lower prices may have less of an impact than expected.
- > Rising inflation and recent upbeat US economic data fueled bets of quicker interest rate hikes, denting the bullion's appeal and limiting its gains.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	83.44	0.42
Gold (\$)	1,859.57	1.11