

FOREIGN EXCHANGE MARKET

News

- > The greenback managed to claw back its losses after data showed US gross domestic product increased at a 2.6 percent annualised rate in the fourth quarter, above economists' forecast for a 2.3 percent gain. The dollar index extended overnight gains and was up 0.1 percent at 96.250, pulled further away from a three-week trough of 95.824 plumed on Thursday.
- > The EUR/USD pair surged to a three-week high yesterday, trading at 1.1420 to ease around the 1.1375 level during the Asian session ahead of German jobs and Eurozone inflation data due later today.
- > The GBP/USD pair is holding around the seven-month high it reclaimed this week as investors laid bets the UK looks more likely to avoid a no-deal Brexit despite analysts remain uncertain if the rally will last.
- > Stronger-than-expected US GDP growth was the main catalyst behind the Aussie dollar falling heavily against the greenback.
- > USD/CAD shot past 1.32 in the early North American session but retraced daily gains to the mid 1.31. As of writing, the pair had been trading in a tight range.
- > The US Dollar skyrocketed versus the Japanese Yen, hitting a 10-week high of 111.49 thanks to a surge in Treasury yields after US GDP data topped expectations.
- > The South African rand keeps on losing ground against the greenback trading at 14.05 this morning as reduced optimism over the US-China trade talks coupled with an abrupt end to the second summit between the US and North Korea dampened demand for emerging market currencies.
- > The Pound Sterling loses 12 cents on the offer this morning, along with the Euro losing 2 cents against the Rupee with the inflation data due out of the Eurozone later today.

Daily Technical View

EUR/USD - Yesterday the EUR traded to a session high of 1.1420 against the USD, with month-end flows cited behind the rally but the single currency gave back all its gains to trade to a low of 1.1359 following better than expected U.S. GDP and Chicago PMI data. Intra-day we expect to trade in a 1.1340-1.1400 range and on the wide 1.1285-1.1450.

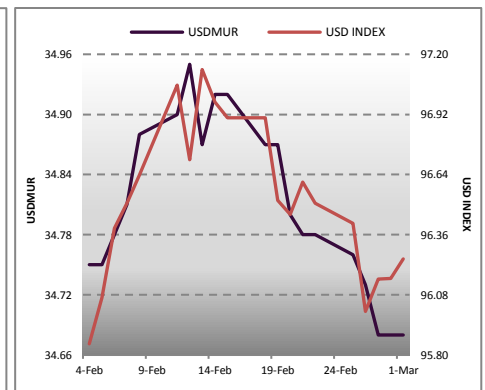
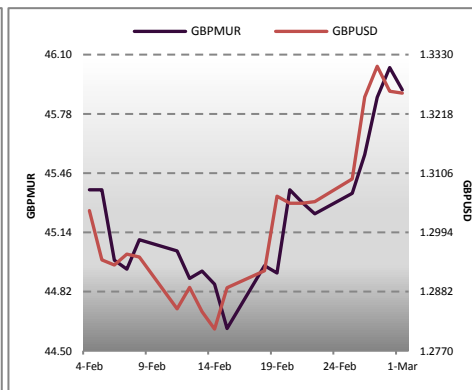
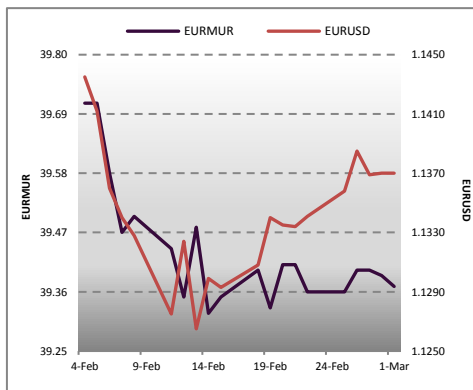
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.85	(0.16)	24.80	(0.17)
CNYMUR	5.03	(0.02)	5.29	(0.02)
EURMUR	38.22	(0.02)	39.37	(0.02)
JPYMUR	29.95	(0.21)	31.15	(0.22)
ZARMUR	2.36	(0.03)	2.48	(0.03)
USDMUR	33.78	-	34.68	-
GBPMUR	44.57	(0.12)	45.91	(0.12)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.85	23.86	23.88	24.83	24.90	25.02
EURMUR	38.32	38.51	38.82	39.49	39.75	40.18
ZARMUR	2.35	2.33	2.30	2.47	2.46	2.44
USDMUR	33.78	33.77	33.78	34.70	34.75	34.84
GBPMUR	44.64	44.77	44.98	46.01	46.21	46.54



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7093	0.7109	0.7085	0.7093
EURUSD	1.1380	1.1381	1.1361	1.1375
GBPUSD	1.3260	1.3266	1.3253	1.3259
USDJPY	111.38	111.76	111.33	111.70
USDCHF	0.9982	0.9988	0.9973	0.9990
USDCNH	6.70	6.70	6.69	6.70

Major Indices

	Value at Close	Day Change %
DOW JONES	25,985.16	(0.27)
S&P 500	2,784.49	(0.28)
FTSE 100	7,074.73	(0.46)
DAX	11,515.64	0.25
CAC 40	5,240.53	0.29
NIKKEI 225	21,615.14	1.08
HANGSENG	28,712.63	0.28

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
28-Feb	13 30	US	Gross Domestic Product Annualized	Q4	2.6%	2.3%	3.4%
01-Mar	10 00	EU	Consumer Price Index - Core (YoY)	Feb	-	-	1.1%
01-Mar	13 30	US	Retail Sales ex Autos (MoM)	Jan	-	-	-1.8%
01-Mar	15 00	US	ISM Manufacturing PMI	Feb	-	56.2	56.6

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

- > US Treasury prices retreated, driving yields higher yesterday, after a reading of gross domestic product for the fourth quarter showed that the economy in 2018 grew at its fastest clip since 2015.
- > All of the main Treasuries saw yields rise after the GDP report, which showed that the economy expanded at a 2.6 percent annual pace in the fourth quarter of 2018.
- > The yield on the 10-year US Treasury note gained 1.8 basis points to 2.711 percent, while the two-year Treasury note yield added 0.6 basis points to 2.512 percent.

- > Today, the Bank of Mauritius will publish the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 1,000 Mio as well as the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,000 Mio.
- > The Bank of Mauritius published the Principal Interest Rates in Mauritius showing an increase of 0.1 percent in the average rupee deposit rate of banks from 1.72 percent to 1.73 percent from Dec 18 to Jan 19. As for the average rupee lending rate of banks, it was maintained at 6.21 percent in Jan 19.

Market Highlights
Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.07	-
2M	3.17	-
3M	3.28	3.13
4M	3.39	-
6M	3.50	3.35
8M	3.54	-
10M	3.59	-
1Y	3.63	3.48

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

Local Secondary Market T-Bonds

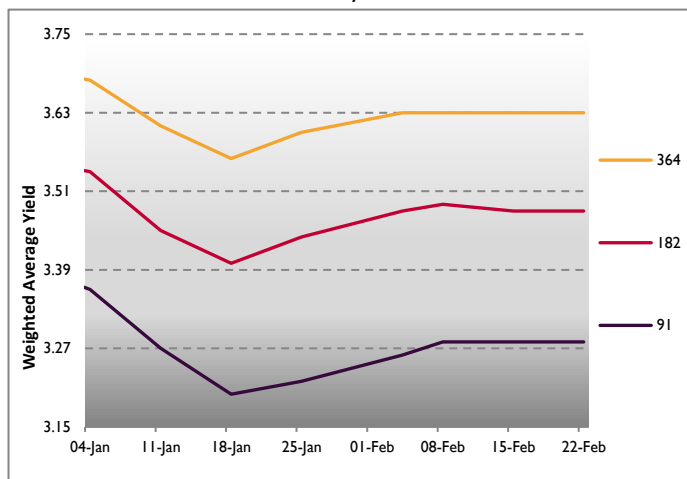
	Bid (%)	Offer (%)
2 year	3.95	3.75
3 year	4.15	3.95
4 Year	4.45	4.25
5 Year	4.90	4.65
10 Year	5.50	5.25
15 year	6.05	5.80
20 Year	6.20	5.95

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.25 - 2.50
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	2.5202	2.516
UK Bonds	0.816	1.007
German Bonds	-0.536	-0.311

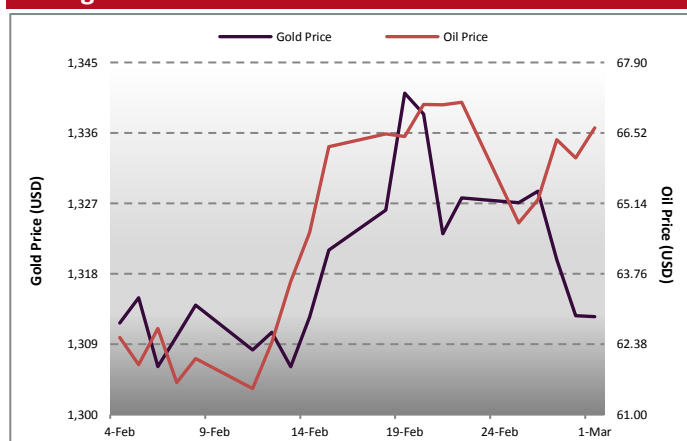
Local Treasury Bills Market

Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.448	-0.413	-0.341	-0.296
USD	2.408	2.490	2.615	2.686
GBP	0.697	0.729	0.852	0.994
EURIBOR	-0.373	-0.368	-0.310	-0.229

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.211	0.091	0.316	0.639
USD LIBOR - 3m	2.608	2.564	2.616	2.712

*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

- > Oil prices showed some modest signs of recovery supported by output cuts led by producer club OPEC despite the price gains were limited by surging US supply and a global economic slowdown. Oil prices nevertheless ended February 8 percent higher, extending their gains from January's rally.
- > The precious metal slide continues with prices at USD 1,312 as of writing as fourth quarter US GDP data topped expectations, lifting Treasury bond yields and the US dollar as well.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	64.49	(1.01)	66.62	0.59
Gold (\$)	1,312.88	0.21	1,312.20	(0.60)