

FOREIGN EXCHANGE MARKET

News

- > The safe-haven greenback has gained steadily over the week mainly fueled by the rally in US Treasuries on the back of expectation that the Federal Reserve will start to taper bond purchases over the coming months.
- > EUR/USD pair extended its 2021 slump to 1.1562 its lowest since July 2020 while European figures fell short of the market expectations, hence affecting the shared currency. Traders are today waiting for the Eurozone inflation Rate, manufacturing PMI, US PCE Price index, and ISM manufacturing PMI to gauge market sentiment.
- > GBP/USD rose to 1.3480 on Thursday after dropping to a nine-month low, helped by second-quarter UK GDP growing by 5.5 percent, more than expected.
- > AUD/USD pair recovered most of the ground lost on Wednesday, ending the day, around 0.7230 on the back of soaring gold prices.
- > USD/JPY retreated from 7-month highs above 112.00 amid mixed US data and month-end closing movements.
- > The Canadian dollar eased below 1.2700 against its US counterpart ahead of the Canadian GDP release later in the day.
- > The South African rand gained strongly on Thursday as the country trade surplus widened more than expected last month.
- > The USD/MUR ends the week at MUR42.90/USD on the offer with the market waiting another round of intervention from the Central Bank this week to support end of month demand.

Daily Technical View

EURUSD - The greenback was mixed in month-end trading yesterday but was resilient near its recent highs. EURUSD remained under pressure and lost further ground, trading a low of 1.1560. Looking at the technical picture, the break below 1.1600 could potentially see a slow ground lower towards 1.1450/70 area. To the upside, 1.1610/20 is immediate resistance and only a clear break above 1.1665 would see the downside momentum fade.

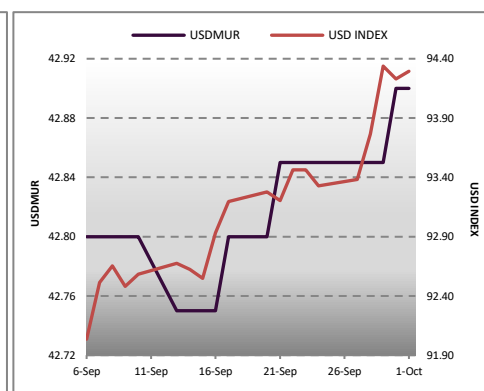
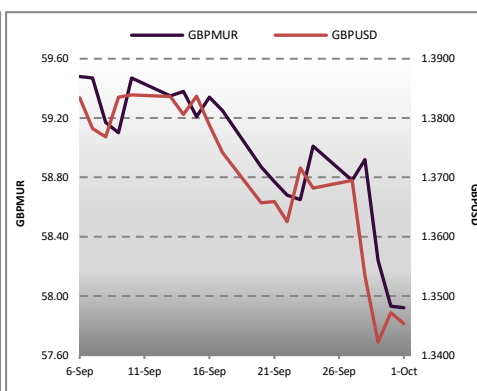
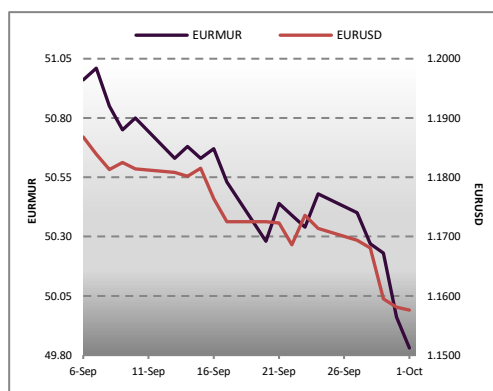
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.17	0.06	31.38	0.07
CNYMUR	6.49	0.01	6.82	0.01
EURMUR	48.38	(0.12)	49.83	(0.13)
JPYMUR	37.40	0.23	38.90	0.24
ZARMUR	2.73	-	2.91	-
USDMUR	42.00	-	42.90	-
GBPMUR	56.23	(0.01)	57.92	(0.01)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.16	30.15	30.14	31.41	31.49	31.60
EURMUR	48.38	48.36	48.34	49.89	50.04	50.29
ZARMUR	2.71	2.67	2.60	2.91	2.92	2.93
USDMUR	41.98	41.95	41.86	42.93	43.01	43.16
GBPMUR	56.22	56.19	56.10	57.96	58.06	58.23



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7224	0.7240	0.7206	0.7208
EURUSD	1.1580	1.1583	1.1564	1.1577
GBPUSD	1.3470	1.3480	1.3445	1.3452
USDJPY	111.27	111.48	111.13	111.21
USDCHF	0.9317	0.9333	0.9314	0.9322
USDCNH	6.45	6.46	6.45	6.46

Major Indices

	Value at Close	Day Change %
DOW JONES	34,390.72	(1.59)
S&P 500	4,307.54	(1.19)
FTSE 100	7,086.42	(0.31)
DAX	15,260.69	(0.68)
CAC 40	6,520.01	(0.62)
NIKKEI 225	28,737.59	(2.90)
HANGSENG	24,575.64	(0.36)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
30-Sep	06 00	UK	Gross Domestic Product (QoQ)	Q2	5.5%	-1.5%	4.8%
30-Sep	12 30	US	Gross Domestic Product Annualized	Q2	6.7%	6.6%	6.6%
1-Oct	09 00	EU	Consumer Price Index - Core(YoY) PREL	Sep	-	1.9%	1.6%
1-Oct	14 00	US	ISM Manufacturing PMI(Sep)	Sep	-	59.6	59.9

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 fell on Thursday following a sell-off amid inflation fear. Fed Chairman Jerome Powell warned again during a Congressional hearing on Thursday that inflation pressures from the pandemic could last longer than previously expected, though he stated that he believes they will be temporary.
- > At the same hearing, Treasury Secretary Janet Yellen again called for Congress to raise the debt ceiling, saying the results would be catastrophic if legislators failed to act.
- > The benchmark 10-year yield was down 1.7 basis points at 1.5219 percent. It reached as high as 1.557 percent on Thursday morning, then declined as investors sold off stocks and looked for safe havens. The yield on the 30-year Treasury bond dipped about 3 basis points to 2.058 percent.

- > The result of the 3-Year Government of Mauritius Treasury Notes was as follows: out of 19 bids received, only 9 were successful, with the weighted average at 2.38 percent and the bid-to-cover ratio at 2.8. The new Benchmark was set at 2.25 percent.
- > Today, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 700 Mio.
- > The Bank of Mauritius will also hold the auction for the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 1,500 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.60	0.45
2M	0.65	0.50
3M	0.70	0.55
4M	0.80	0.65
6M	0.90	0.75
8M	0.94	0.79
10M	0.98	0.83
1Y	1.02	0.87

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.40	4.15
15 year	4.65	4.40
20 Year	4.95	4.70

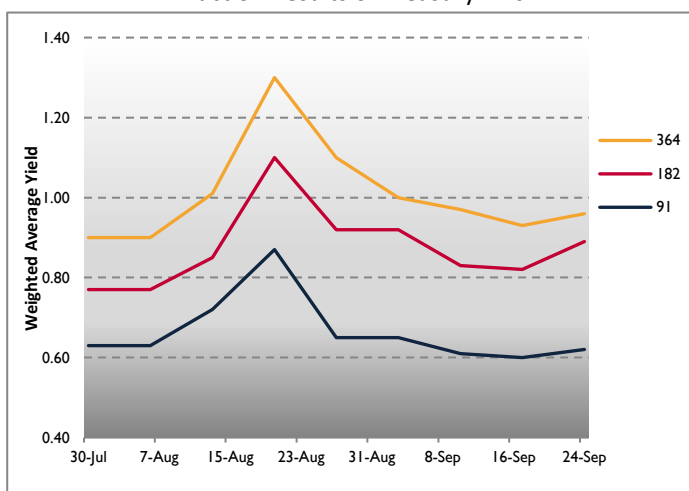
Key Central Bank Rates

	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	0.2796	0.962
UK Bonds	0.428	0.647
German Bonds	-0.692	-0.562

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.580	-0.574	-0.563	-0.533
USD	0.073	0.082	0.131	0.157
GBP	0.042	0.049	0.076	0.157
EURIBOR	-0.568	-0.558	-0.543	-0.523

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.454	-0.224	-0.074	0.137
USD LIBOR - 3m	0.394	1.055	1.297	1.503

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Gold made a corrective rebound on Thursday, after hitting a six-week low early this week, on safe-haven demand. However, growing expectation of a sooner than expected Fed rate tapering followed by a rate hike may undermine this recovery.
- > As soon as oil briefly hit USD 80 a barrel this week, the highest level in three years, the pullback in the market began amid concern that the high prices would dent demand. The prospect that the OPEC+ supplier alliance might step up a planned increase in output to ease supply concerns is also weighing on prices.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	77.74	(0.01)
Gold (\$)	1,752.29	(4.37)