

FOREIGN EXCHANGE MARKET

News

>The greenback ended the day lower against majority of its peers on speculation that the Federal Reserve would start a pause in monetary tightening as recent economic data showed that the US economy is slowing down.

>EUR/USD ended the day slightly higher at 1.0820 amid hawkish comments from ECB officials on interest rates hikes. This Friday, Germany will release the December producer price index.

>GBP/USD rallied towards 1.2400 from a low of 1.2312 as interest rate sentiment for the Bank of England continues to support the pound.

>The Japanese yen weakened against the US dollar as speculation continue to circulate that the Bank of Japan will however retreat from its ultra-easy policy.

>AUD/USD registered a new weekly low of 0.6871 on Thursday before reclaiming the 0.6900 level amid risk aversion.

>The Canadian dollar strengthened against its US counterpart on Thursday, recovering from a nearly two-week low, as investors cheered comments by Federal Reserve officials that could point to a slower pace of interest rate hikes.

>The South African rand slipped on Thursday on expectation of another interest rate hike next week.

> The USD/MUR sees no change overnight, still trading at MUR 44.20/USD, with the market remaining tight. With the single currency trading at 1.0820, the EUR/MUR sees a small rise to MUR 47.97/EUR on the offer.

Daily Technical View

EUR/USD - The pair seesawed around 1.08 amid lackluster sentiment in markets overnight. 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.

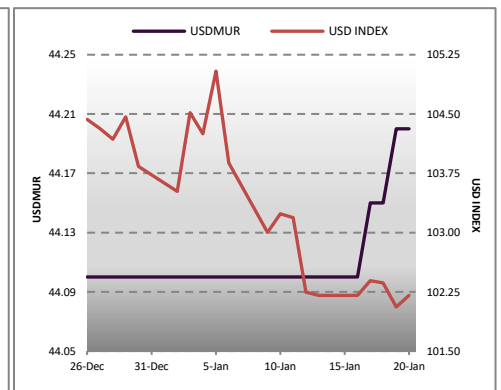
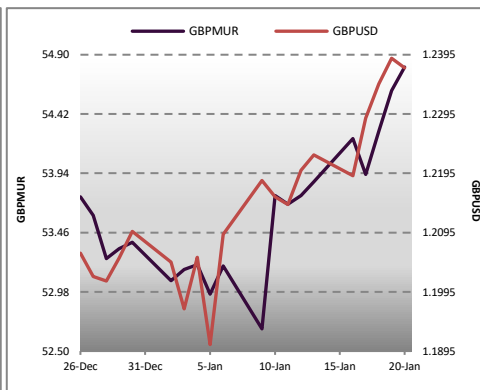
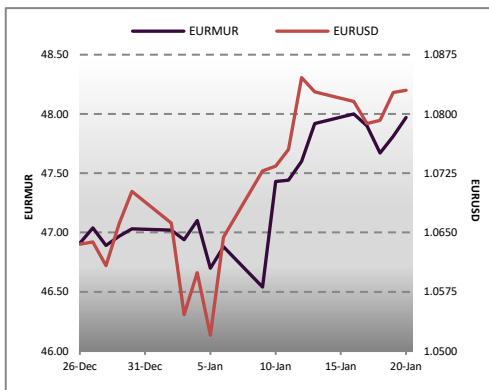
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.80	0.09	31.26	0.09
CNYMUR	6.37	(0.01)	6.70	(0.01)
EURMUR	46.57	0.15	47.97	0.16
JPYMUR	33.24	(0.23)	35.00	(0.24)
ZARMUR	2.46	(0.02)	2.62	(0.02)
USDMUR	43.30	-	44.20	-
GBPMUR	53.20	0.18	54.80	0.19

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.79	29.75	29.68	31.27	31.28	31.31
EURMUR	46.59	46.61	46.55	48.03	48.15	48.25
ZARMUR	2.45	2.43	2.40	2.61	2.60	2.58
USDMUR	43.23	43.07	42.81	44.16	44.10	44.05
GBPMUR	53.15	53.06	52.95	54.80	54.82	54.89



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6910	0.6932	0.6907	0.6925
EURUSD	1.0831	1.0844	1.0826	1.0834
GBPUSD	1.2389	1.2398	1.2366	1.2377
USDJPY	128.42	129.29	128.36	129.24
USDCHF	0.9157	0.9175	0.9151	0.9171
USDCNH	6.77	6.79	6.76	6.79

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	33,296.96	(0.76)
S&P 500	8,310.75	(0.75)
FTSE 100	7,747.29	(1.07)
DAX	14,920.36	(1.72)
CAC 40	6,951.87	(1.86)
NIKKEI 225	26,405.23	(1.44)
HANGSENG	21,907.64	1.19

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
20-Jan	13 30	CA	Retail Sales	Nov	-0.5%	1.4%	
20-Jan	01 15	CY	PBoC Interest Rate Decision				3.65%

FIXED INCOME

News

> Treasury yields edged higher yesterday, as released jobs data showed that the US labour market remains strong, despite the Federal Reserve's efforts to stifle demand for workers.

> The yield on the 2-year US Treasury note gained 4 basis points to trade at 4.116 percent, while the 10-year Treasury rose by 2.2 basis points, to 3.396 percent. The long-bond firmed at 3.566 percent.

> Yesterday, the Bank of Mauritius received applications for the 182-Day Government of Mauritius Treasury Bills for a total amount of MUR 2,000 Mio but allotted only MUR 500 Mio at the weighted average rate of 4.52 percent.

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	4.1533	3.506
UK Bonds	3.47	3.263
German Bonds	2.514	2.117

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

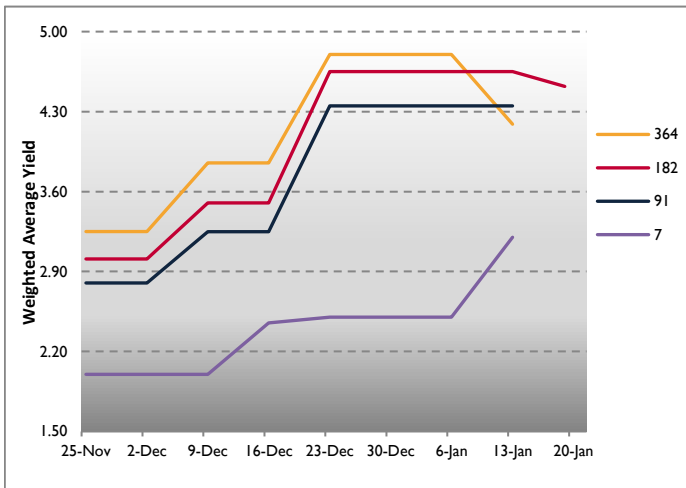
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.059	2.674	2.613	2.641
USD LIBOR - 3m	4.404	3.556	3.419	3.377

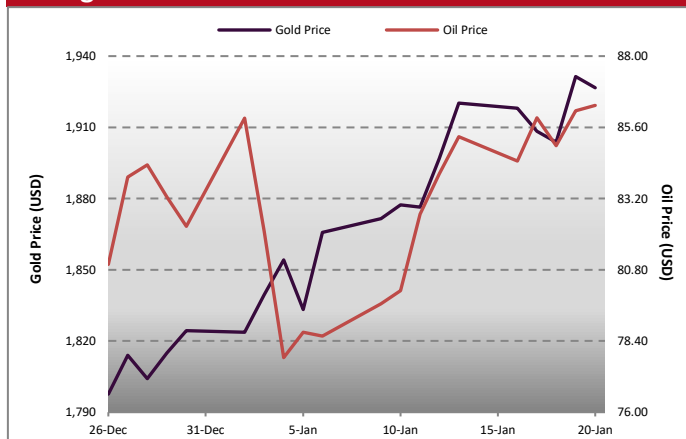
* Pay fixed and receive floating swap

Auction Results of Treasury Bills



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 struggled to sustain gains above the critical resistance of USD 1,930 during the Asian session this morning after rallying in the prior session amid resurgent safe haven demand and growing uncertainty over the path of US monetary policy.

> Oil prices rose and look set to post a second straight week of gains as optimism over an eventual recovery in Chinese demand this year largely offset fears that a global economic slowdown will dent crude markets.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	86.53	(1.44)
Gold (\$)	1,927.08	(4.31)