

FOREIGN EXCHANGE MARKET

News

> The US dollar made a comeback on Friday and recovered a part of its post-FOMC losses amid hawkish Fed expectations. FOMC Chairman Jerome Powell reiterated on Friday that they are acutely focused on returning inflation to 2 percent.

> The US markets are closed this Monday for a public holiday. Fed Chairman Jerome Powell two days of testimony to the US Congress on Wednesday and Thursday this week will be in focus along with the US PMI numbers on Thursday.

> EUR/USD came under renewed selling pressure on Friday amid resurgent USD demand. The risk-averse market environment, rising US Treasury bond yields and hawkish Fed commentary fueled the dollar's rally ahead of the weekend.

> GBP/USD ended the week with losses at around 1.2240 after Thursday's rally post the Bank of England 25 bps rate hike, with the GBP/USD reaching weekly highs around 1.2400.

> USD/JPY climbed above 135.00 on Friday as US T-bond yields pushed higher while BOJ announced earlier in the day that it left its policy settings unchanged.

> AUD/USD plummeted from weekly highs reached on Thursday around 0.7069 and closed the week down below the 0.7000 mark on a buoyant greenback and falling commodity prices.

> The Canadian dollar weakened to 1.3078 its lowest in 19 months against its US counterpart on Friday as oil prices tumbled and the greenback broadly rallied.

> South African rand weakened in early trade on Friday as fears of recession spread around the world following decisions by several central banks to raise interest rates to tame inflation.

> The USD/MUR opens the week at MUR 44.45/USD, while the EUR/MUR opens at MUR 47.09/EUR, with the single currency trading just above the 1.0500 handle.

Daily Technical View

EUR/USD – The euro-dollar rebounded above Friday's low at 1.0445 to 1.0520 amid resurgence of risk sentiment across currencies. Focus will be directed this week towards US and Eurozone PMI. Resistance is installed at June 16th high at 1.06 for further extension towards 1.0640-85. Breaching support at 1.0490 will open the door for renewed downside momentum.

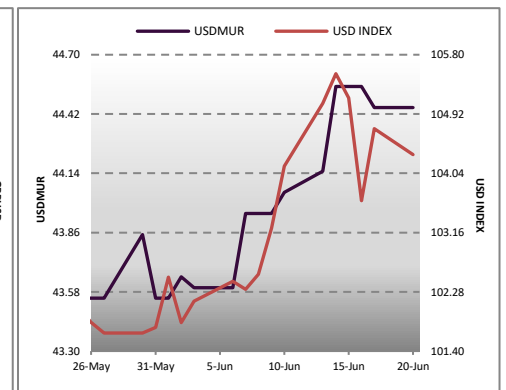
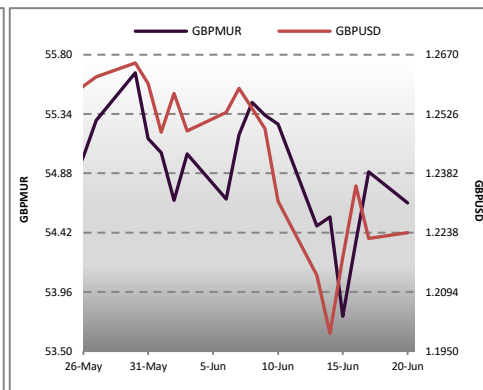
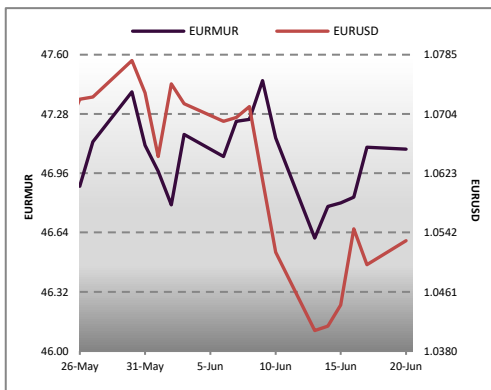
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.14	(0.29)	31.35	(0.30)
CNYMUR	6.51	0.02	6.84	0.02
EURMUR	45.72	(0.01)	47.09	(0.01)
JPYMUR	31.97	(0.23)	33.25	(0.24)
ZARMUR	2.68	-	2.85	-
USDMUR	43.55	-	44.45	-
GBPMUR	53.06	(0.23)	54.65	(0.24)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.12	30.03	29.92	31.34	31.27	31.17
EURMUR	45.76	45.83	45.86	47.14	47.24	47.31
ZARMUR	2.67	2.64	2.61	2.84	2.81	2.80
USDMUR	43.50	43.39	43.11	44.42	44.33	44.09
GBPMUR	53.03	52.93	52.68	54.63	54.57	54.35



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6912	0.6975	0.6923	0.6977
EURUSD	1.0470	1.0542	1.0474	1.0529
GBPUSD	1.2223	1.2253	1.2200	1.2237
USDJPY	134.89	135.44	134.68	134.91
USDCHE	0.9717	0.9717	0.9644	0.9662
USDCNH	6.71	6.72	6.67	6.68

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	29,927.07	(0.13)
S&P 500	3,674.84	0.22
FTSE 100	7,016.25	(0.41)
DAX	13,126.26	0.67
CAC 40	5,882.65	(0.06)
NIKKEI 225	25,650.38	(1.20)
HANGSENG	21,103.03	0.13

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
16-Jun	07 30	CH	SNB Interest Rate Decision	-	-0.25%	-0.75%	-0.75%
16-Jun	11 00	UK	BoE Interest Rate Decision	-	1.25%	1.25%	1.0%
22-Jun	06 00	UK	Consumer Price Index (YoY)	May	-	9.1%	9.0%
22-Jun	12 30	CA	BoC CPI Core (YoY)	May	-	5.9%	5.7%

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 weakened further on Friday, as investors flocked to the safety of government debt, adjusting to expectations of higher interest rates and an end to the Federal Reserve bond-buying programme.

> Major US stock indexes finished mixed for the day on Friday, after swinging between modest losses and gains, while parts of the Treasury curve either flattened or remained inverted.

> The 10-year Treasury yield dropped 6.5 basis points to trade at 3.238 percent. For the week, the yield was nonetheless up 8.2 basis points. The long-bond yield gave away 6.6 basis points to 3.293 percent. For the week, it was still up 9.8 basis points. The 2-year Treasury yield firmed by less than 1 basis point to 3.164 percent. For the week, the yield was up 11.7 basis points.

> The Bank of Mauritius published the minutes of the 63rd MPC meeting held on 03 June 2022. The Bank of Mauritius stated that the Bank has been actively involved in the liquidity management of the local currency. In addition, the Bank of Mauritius has been conducting FX interventions to contain undue volatility in the exchange rate and to ensure supply of FX to the local market.

> The result of the 364-Day Government of Mauritius Treasury Bills was as follows: the weighted average yield was published at 1.28 percent. As for the 91-Day and the 182-Day Bank of Mauritius Treasury bills, the weighted average yields were published at 1 percent and 1.10 percent respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.80	0.65
2M	0.90	0.75
3M	1.00	0.85
4M	1.05	0.90
6M	1.10	0.95
8M	1.15	1.00
10M	1.20	1.05
1Y	1.30	1.15

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.45	2.25
3 year	2.80	2.60
4 Year	3.00	2.80
5 Year	3.25	3.00
10 Year	4.70	4.45
15 year	5.00	4.75
20 Year	5.30	5.05

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	2.25	2.00
Fed Funds Rate	1.50 - 1.75	0.75 - 1.00
BoE Bank Rate	1.25	1.00
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.85	0.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	3.1701	3.344
UK Bonds	2.196	2.202
German Bonds	1.068	1.450

Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	1.612	2.096	2.780
GBP	-	1.231	1.604	2.283
EURIBOR	-0.568	-0.487	-0.169	-0.291

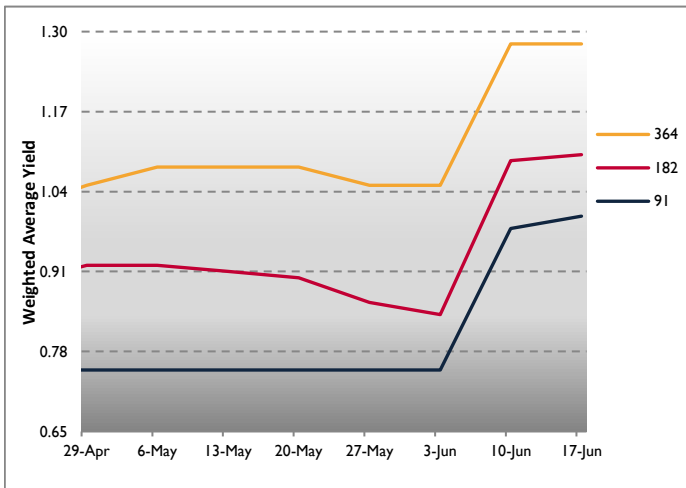
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	1.736	2.140	2.250	2.409
USD LIBOR - 3m	3.605	3.392	3.321	3.289

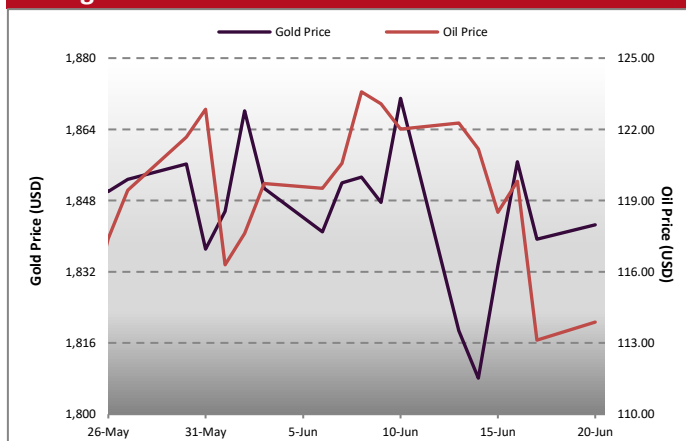
* Pay fixed and receive floating swap

Auction Results of Treasury Bills



COMMODITIES

Rolling Gold & Oil Prices



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News

> Gold was up this morning in Asia as the US dollar weakened ahead of a US holiday. Liquidity and volatility are likely to be lower today thus making directional moves on gold difficult without a fresh catalyst.

> Oil prices continue to be under pressure amid concerns about slowing economic growth and fuel demand. The tight supply conditions remain a concern as the West imposed sanctions on Russian oil but the impact has been mitigated by the move led by the US to release strategic petroleum reserves and a ramp-up of production from the Organization of the Petroleum Exporting Countries and allies.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	125.06	(3.46)
Gold (\$)	1,842.71	3.36