

FOREIGN EXCHANGE MARKET

News

> The greenback appreciated throughout the first half of the day to later end with modest losses against most of its major peers as investors remain cautious ahead of the Federal Reserve meeting on Wednesday for further clues on its tightening path to tackle inflation.

> EUR/USD kept hovering around parity as financial markets are in wait-and-see mode ahead of the Fed monetary policy announcement on Wednesday.

> GBP/USD erased its daily losses and traded around 1.1400 level after hitting a daily low at 1.1355 in a thin trading session, due to the London holiday, in observance of Queen Elizabeth II's funeral.

> USD/JPY fluctuated around 143.00 ahead of the FOMC and the Bank of Japan monetary policy meeting.

> AUD/USD traded near-daily lows of 0.6725 this morning following a dovish RBA minutes while the People's Bank of China kept the one-year and five-year loan prime rate unchanged at 3.65 percent and 4.30 percent respectively.

> The Canadian dollar weakened to its lowest level in nearly two years against its US counterpart on Monday as investors braced for domestic inflation data.

> South African rand traded weaker on Monday undermined by lengthy power cuts by state-owned utility Eskom.

> Today, the Bank of Mauritius intervened on the domestic foreign exchange market and sold a total of USD 10 Mio at the rate of MUR 43.90/USD.

> Post intervention, the USD/MUR is trading at MUR 44.35/USD, compared to yesterday's open of MUR 44.60/USD on the offer. The EUR/MUR is trading at MUR 44.78/EUR on the offer.

Daily Technical View

EUR/USD – EUR/USD buyers pushed the single currency by 84 pips to a high at 1.0050 on the back of US dollar weakness during US market hours. A retracement towards golden ratio resistance at 1.0095 could be anticipated today as the pair stands above 200-EMA on the hourly chart. Support is drawn at 0.9955 amid waiting for US interest rates decision tomorrow.

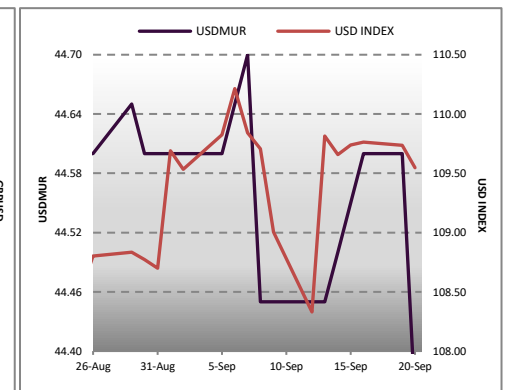
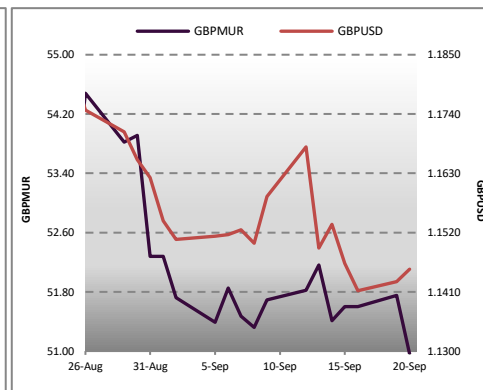
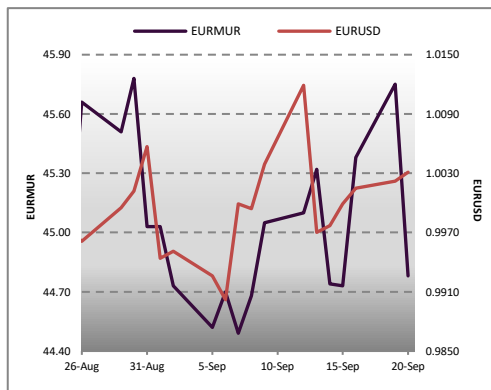
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.05	(0.11)	30.47	(0.12)
CNYMUR	6.18	(0.04)	6.50	(0.04)
EURMUR	43.48	(0.94)	44.78	(0.97)
JPYMUR	30.00	(0.22)	31.59	(0.23)
ZARMUR	2.42	(0.01)	2.58	(0.01)
USDMUR	43.45	(0.25)	44.35	(0.25)
GBPMUR	49.48	(0.76)	50.96	(0.79)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.01	28.88	28.64	30.45	30.36	30.21
EURMUR	43.48	43.42	43.24	44.81	44.85	44.81
ZARMUR	2.41	2.39	2.34	2.57	2.56	2.53
USDMUR	43.36	43.12	42.67	44.30	44.15	43.90
GBPMUR	49.42	49.30	49.12	50.95	50.92	50.91



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6727	0.6747	0.6708	0.6731
EURUSD	1.0021	1.0050	1.0014	1.0034
GBPUSD	1.1432	1.1460	1.1410	1.1455
USDJPY	143.20	143.47	142.95	143.45
USDCHE	0.9645	0.9663	0.9627	0.9636
USDCNH	7.00	7.02	7.00	7.02

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	30,822.42	0.64
S&P 500	3,899.89	0.69
FTSE 100	7,304.84	0.94
DAX	12,803.24	0.49
CAC 40	6,061.59	(0.26)
NIKKEI 225	27,681.78	0.41
HANGSENG	18,798.87	1.25

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
20-Sep	01 30	CN	PBoC Interest Rate Decision	-	3.65%	-	3.65%
20-Sep	01 30	AU	RBA Meeting Minutes	-	-	-	-
21-Sep	18 00	US	Fed Interest Rate Decision	-	-	3.25%	2.5%
22-Sep	11 00	UK	BoE Interest Rate Decision	-	-	2.25%	1.75%

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

> Treasury yields ticked higher yesterday, consolidating last week's rally ahead of the US Federal Reserve interest rate decision announcement on Wednesday.

> The policy-sensitive 2-year US yield firmed to 3.946 percent, its strongest level since October 17 2007, while the 10-year note yield gained 4.2 basis points, to trade at 3.489 percent. The yield on the 30-year Treasury bond retreated to 3.504 percent.

> Futures markets were pricing in a one-in-five chance that the Fed will hike rates by 100 basis points instead of 75 basis points. Investors will be focused on the dot plot for signals on how high rates may go later this year and next year.

> Tomorrow, the Bank of Mauritius will hold the auction for the 5-year Government of Mauritius Bonds for a nominal amount of MUR 1,600 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.90	0.75
2M	0.95	0.80
3M	1.00	0.85
4M	1.05	0.90
6M	1.15	1.00
8M	1.20	1.05
10M	1.25	1.10
1Y	1.30	1.15

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.45	2.25
3 year	3.00	2.80
4 Year	3.25	3.05
5 Year	3.50	3.25
10 Year	4.80	4.55
15 year	5.10	4.85
20 Year	5.35	5.10

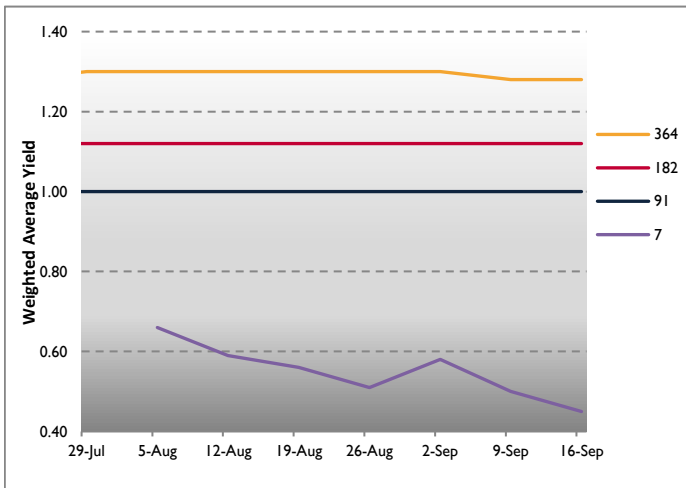
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	2.25	2.00
Fed Funds Rate	2.25 - 2.50	1.50 - 1.75
BoE Bank Rate	1.75	1.25
ECB Ref. Rate	0.50	0.00
RBA Cash Rate	2.35	1.85

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	3.9494	3.683
UK Bonds	3.188	3.166
German Bonds	1.643	1.730

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	3.014	3.565	4.123
GBP	-	2.245	2.756	3.518
EURIBOR	0.646	0.678	1.063	1.672

* LIBOR rates delayed by 48 hours. Source: ICE

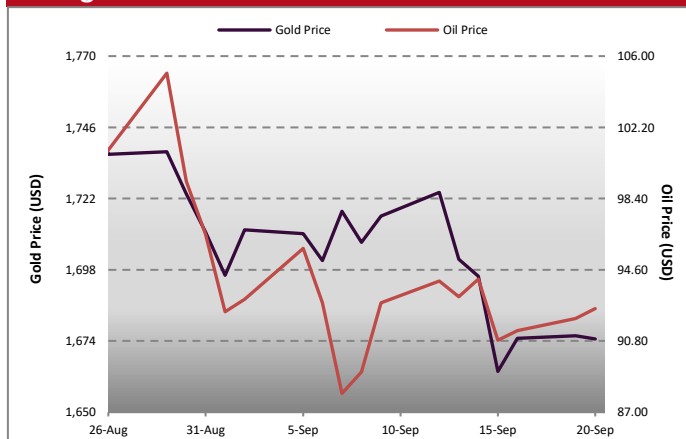
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.579	2.527	2.528	2.589
USD LIBOR - 3m	4.323	3.761	3.636	3.556

* Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



News

> Oil prices remain steady on Tuesday as the market awaits the Federal Reserve meeting for further interest rate hikes to tame inflation. Concerns over steady demand for crude oil also weighed on oil prices.

> Pressure on gold prices eased slightly on Tuesday with spot gold rising by 0.20 percent an ounce, but still below the USD 1700 level an ounce, ahead of the Federal Reserve meeting.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	94.82	1.27
Gold (\$)	1,675.64	(0.14)

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