

FOREIGN EXCHANGE MARKET

News

- > The US dollar ended the day higher against majority of its peers on Tuesday, as investors held firm on expectations of another aggressive rate hike by the Fed.
- > EUR/USD was unable to retain parity and settled at around 0.9965 as markets position themselves ahead of the Federal Reserve policy announcement.
- > GBP/USD remained under pressure and dropped below 1.1400 amid renewed dollar strength ahead of the Bank of England and Federal Reserve monetary policy decision.
- > AUD/USD continued to trade below 0.6700, undermined by a broadly firmer US dollar and amid elevated risk aversion.
- > USD/JPY rose from under 143.00 to 143.92, reaching the highest level in almost a week as US yields jumped on the day the two-day FOMC meeting started.
- > The Canadian dollar weakened to 1.3376 against its US counterpart amid softer consumer inflation figures and subdued oil prices.
- > The Swedish Krona plunged after the Riksbank announced a surprise 100 basis point hike and warned of more to come over the next six months
- > The South African rand traded near its weakest against the dollar since 2020, as financial markets braced for the US Federal Reserve meeting where an aggressive interest rate hike is expected.
- > The USD/MUR opens at MUR 44.35/USD on the offer and the EUR/MUR opens at MUR 44.49/EUR, following the intervention from the Central Bank.

Daily Technical View

EUR/USD – The pair tumbled from a high at 1.0050 to test 0.9960 in Asian hours amid US dollar strength, in anticipation of the hawkish Fed policy rate today. A break of the long week consolidation phase below support at 0.9945 would fuel downside price action to cross Sept 6th low at 0.9865. Any upside move would prove corrective, unless the pair pushes above 1.0050 to provide a clear signal for bull trend.

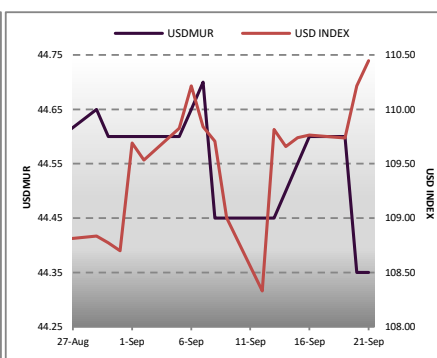
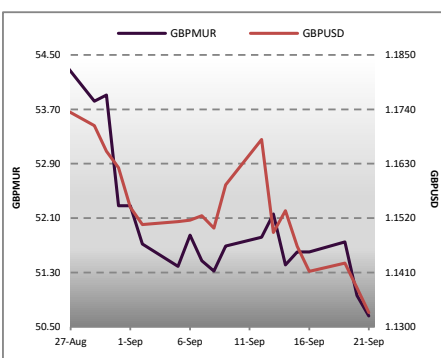
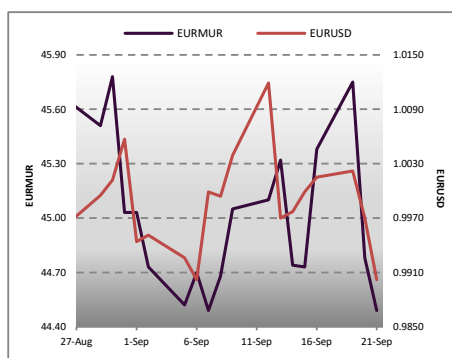
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.87	(0.18)	30.28	(0.19)
CNYMUR	6.16	(0.02)	6.48	(0.02)
EURMUR	43.19	(0.29)	44.49	(0.29)
JPYMUR	29.91	(0.09)	31.50	(0.09)
ZARMUR	2.41	(0.01)	2.57	(0.01)
USDMUR	43.45	-	44.35	-
GBPMUR	49.18	(0.30)	50.66	(0.30)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.83	28.69	28.47	30.25	30.17	30.03
EURMUR	43.18	43.13	42.93	44.52	44.55	44.50
ZARMUR	2.40	2.38	2.33	2.56	2.55	2.52
USDMUR	43.36	43.11	42.67	44.29	44.14	43.89
GBPMUR	49.13	49.00	48.83	50.65	50.62	50.61



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6688	0.6703	0.6657	0.6666
EURUSD	0.9970	0.9976	0.9885	0.9908
GBPUSD	1.1374	1.1385	1.1306	1.1335
USDJPY	143.72	144.07	143.43	143.51
USDCHF	0.9641	0.9655	0.9631	0.9643
USDCNH	7.03	7.07	7.03	7.06

Major Indices

	Value at Close	Day Change %
DOW JONES	31,019.68	(1.01)
S&P 500	3,855.93	(1.13)
FTSE 100	7,192.66	(0.61)
DAX	12,670.83	(1.03)
CAC 40	5,979.47	(1.35)
NIKKEI 225	27,349.79	(1.20)
HANGSENG	18,559.40	(1.18)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
21-Sep	18 00	US	Fed Interest Rate Decision	-	-	3.25%	2.5%
22-Sep	03 00	JP	BoJ Interest Rate Decision	-	-	-0.1%	-0.1%
22-Sep	07 30	CH	SNB Interest Rate Decision	-	-	0.5%	-0.25%
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

- > US Treasury yields strengthened on Tuesday, taking prices lower, ahead of the FOMC rate announcement this evening.
- > Today, 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.
- > The yield on the 2-year US Treasury firmed to 3.962 percent, while the 10-year Treasury yield gained 8.2 basis points to trade at 3.571 percent. The yield on the 30-year bond advanced by 7.7 basis points to 3.581 percent.
- > Tomorrow, the Bank of Mauritius will hold the auction for the 7-day Bank of Mauritius for a nominal amount of MUR 500 Mio.
- > As a dozen central banks convene worldwide over the next few days, market participants see a good chance that the Fed-funds target range in the US will be as high as 4.25 to 4.5 percent by December, above prior expectations.

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

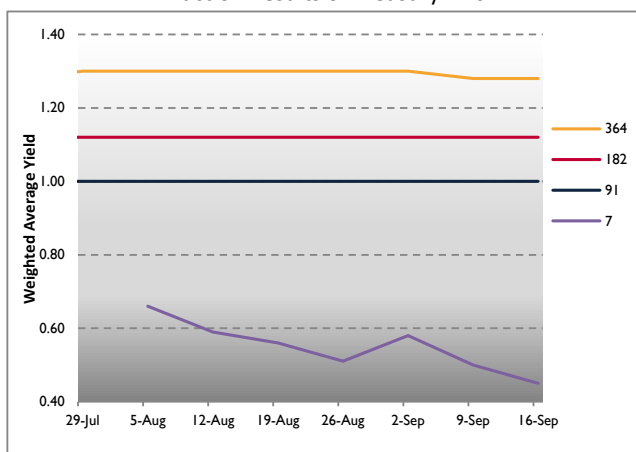
Key Central Bank Rates

	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	3.9269	3.706
UK Bonds	3.302	3.293
German Bonds	1.662	1.771

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	0.655	0.692	1.066	1.737

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.637	2.598	2.606	2.675
USD LIBOR - 3m	4.318	3.790	3.672	3.594

* Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices remain bearish with Brent crude dropping by 0.30 percent amid continued concerns over steady demand for crude oil and anticipation of a rate hike by the Federal Reserve.
- > Gold prices were range bound on Wednesday as the market awaits a large interest rate hike by the Federal Reserve, which is expected to draw investors away from the metal market and into the dollar.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	93.72	(1.09)
Gold (\$)	1,671.70	8.59