

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended the previous day session slightly lower against majority of its peers except the yen and swiss franc in thin trading conditions ahead of year end as rise in global stocks triggered the return of risk appetite. This Wednesday, the US will unveil the Q3 GDP data along with the consumer confidence numbers and the Existing Home Sales report.
- > EUR/USD climbed to a high of 1.1302 earlier on Tuesday but struggled to gather bullish momentum. With markets staying relatively quiet amid a lack of high-tier macroeconomic data releases, the pair turned flat on the day near 1.1280.
- > The rebound in global risk appetite also pushed the British pound up against the dollar and euro, even as British Prime Minister Boris Johnson cautioned that further lockdown measures may be needed to tackle the spread of the virus. Focus in the UK today will be on the Q3 GDP readings.
- > USD/JPY climbed above the 114.00 level, reaching the highest level since last Thursday, boosted by higher equity prices and US yields.
- > AUD/USD eased around 0.7135 in Asia as Aussie policymakers called a snap cabinet meeting to discuss the Omicron battle plan amid record jabbing and the holiday season.
- > The Canadian dollar edged higher against its US counterpart on Tuesday amid rising crude oil prices while retail sales rose more than expected in October.
- > The USD/MUR maintains the MUR 43.70/USD level this morning on the offer, with the single currency trading in the surroundings of 1.1270

### Daily Technical View

EUR/USD - A quiet session saw the pair shuffling in a tight 1.1262-1.1302 range as liquidity dries up ahead of the Xmas/New Year holidays. Intra-day this sideways trading is likely to prevail but as long as 1.1320/50 area cap the upside the risk will be for another decline towards 1.1225 key support level.

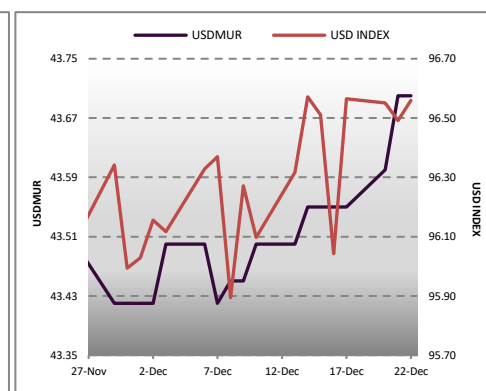
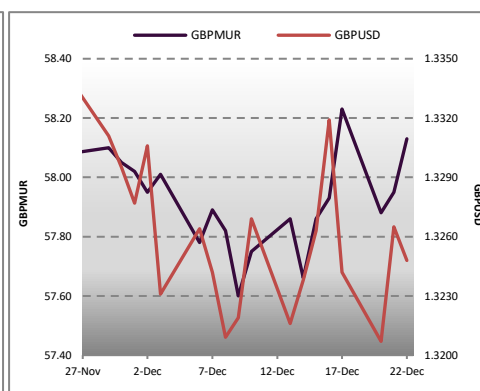
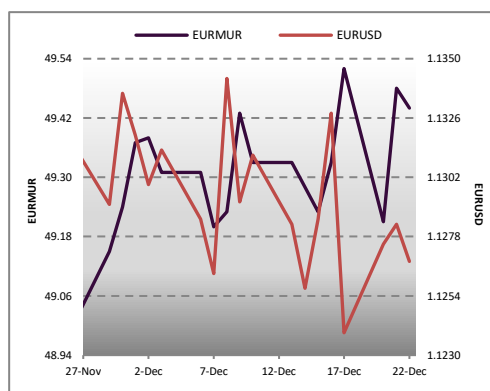
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.36	0.07	31.57	0.07
CNYMUR	6.70	-	7.04	-
EURMUR	48.00	(0.04)	49.44	(0.04)
JPYMUR	37.13	(0.16)	38.62	(0.16)
ZARMUR	2.65	(0.01)	2.82	(0.01)
USDMUR	42.80	-	43.70	-
GBPMUR	56.44	0.18	58.13	0.18

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.34	30.33	30.27	31.59	31.64	31.71
EURMUR	47.99	47.98	47.93	49.50	49.64	49.85
ZARMUR	2.63	2.59	2.53	2.82	2.82	2.81
USDMUR	42.78	42.73	42.60	43.73	43.79	43.88
GBPMUR	56.42	56.37	56.23	58.16	58.23	58.32



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7151	0.7156	0.7122	0.7127
EURUSD	1.1277	1.1295	1.1269	1.1274
GBPUSD	1.3260	1.3275	1.3249	1.3252
USDJPY	114.10	114.18	113.96	114.12
USDCHF	0.9237	0.9249	0.9231	0.9246
USDCNH	6.37	6.38	6.37	6.38

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	34,932.16	1.60
S&P 500	4,649.23	1.78
FTSE 100	7,297.41	1.38
DAX	15,447.44	1.36
CAC 40	6,964.99	1.38
NIKKEI 225	28,555.10	0.13
HANGSENG	23,035.85	0.28

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
21-Dec	13 30	CA	Retail Sales (MoM)	Oct	1.6%	1.0%	-0.6%
22-Dec	07 00	UK	GDP (QoQ)	Q3	-	1.3%	1.3%
22-Dec	13 30	US	GDP Annualized	Q3	-	2.1%	2.1%
23-Dec	13 30	US	Durable Goods Orders	Nov	-	1.5%	-0.4%

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

> With the return of risk appetite eroding demand for safe havens, US Treasury yields rose along the whole curve on Tuesday. Traders focused on optimistic economic conditions despite the rapidly spreading Omicron variant of the coronavirus.

> The two-year yield, which rises with traders' expectations of higher Fed fund rates, closed at 0.675 percent on Tuesday.

> The US 10-year Treasury yield advances sharply some six basis points to end at 1.487 percent while yield on the 30-year Treasury bond moved around 5 basis points higher to 1.89 percent.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.50	0.35
2M	0.55	0.40
3M	0.65	0.50
4M	0.67	0.52
6M	0.71	0.56
8M	0.74	0.59
10M	0.77	0.62
1Y	0.80	0.65

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#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	1.95	1.75
3 year	2.35	2.15
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.25	4.00
15 year	4.55	4.30
20 Year	4.85	4.60

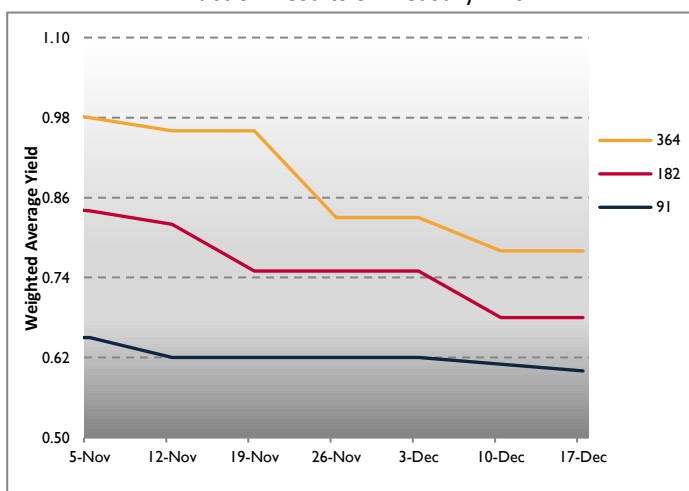
#### Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	1.85	1.85
Fed Funds Rate	0.00 - 0.25	0.00 - 0.25
BoE Bank Rate	0.25	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	0.6626	1.216
UK Bonds	0.652	0.725
German Bonds	-0.694	-0.561

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.588	-0.682	-0.614	-0.568
USD	0.074	0.104	0.214	0.317
GBP	0.185	0.175	0.236	0.417
EURIBOR	-0.574	-0.625	-0.588	-0.554

\* LIBOR rates delayed by 48 hours. Source: ICE

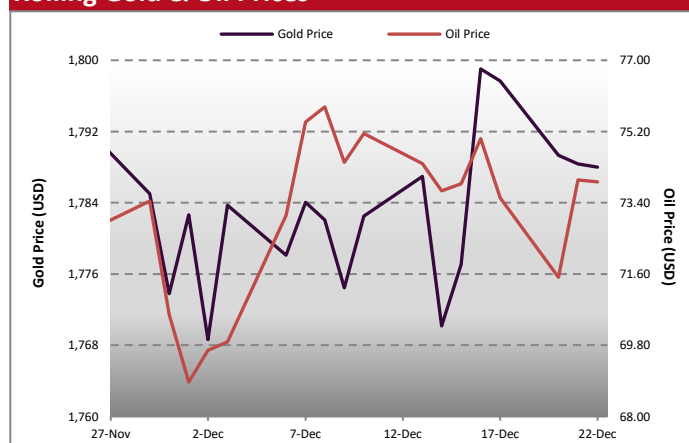
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.377	-0.113	-0.006	0.166
USD LIBOR - 3m	0.907	1.318	1.434	1.528

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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Source: MCB Treasury, Reuters, Bloomberg, Bank of Mauritius

### News

> Oil was up this morning in Asia, extending previous day gains, as the latest US crude oil supply data showed a bigger-than-expected draw. However, investors remain cautious as the Omicron coronavirus variant cut holiday travel plans, dimming the near-term fuel demand outlook.

> Tuesday's crude oil supply data from the American Petroleum Institute showed a draw of 3.67 million barrels for the week ended December 17 while investors now await crude oil supply data from the US Energy Information Administration due later in the day.

> Improved investor risk appetite, higher US treasury yields and rebounding stocks weighed on the yellow metal, which closed below the USD 1,790 level on Tuesday.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	72.37	3.54
Gold (\$)	1,788.72	0.36