

FOREIGN EXCHANGE MARKET

News

> The US dollar edged higher in Asia this morning as investors now await cues on monetary policies from the US Federal Reserve Chair testimony to the Congress.

> The EUR/USD climbed for the second consecutive day on Tuesday, though it struggled to get near the 1.0600 figure. The shared currency rose after ECB chief economist Philip Lane stated that the ECB will raise rates by 25 basis points at its July meeting, but the size of its September hike is still to be decided, suggesting a larger 50 basis points hike is possible.

> GBP/USD peaked at 1.2323, supported by a decline of the US dollar across the board amid risk appetite. However, the pair later pulled back after being unable to hold above 1.2300.

> USD/JPY rallied to 136.62 its highest level since 1998 amid the ultra-loose monetary policy stance adopted by the Bank of Japan while a strong rally in the global equity markets weighed heavily on the safe-haven Japanese yen.

> AUD/USD pair fell to 0.6915 as low commodity prices, such as iron ore, continued to weigh on the aussie.

> The Canadian dollar strengthened against its US counterpart on Tuesday, extending its recovery from a 19-month low, underpinned by rising oil prices and better than expected retail sales data.

> The South African rand strengthened against a broadly weaker dollar on Tuesday, although worries lingered over aggressive interest hikes from global central banks.

> The USD/MUR opens at MUR 44.55/USD, on the back of the single currency trading just below the 1.0500 handle.

Daily Technical View

EUR/USD – Cautious market mood ahead of the US Fed Powell's testimony plummeted the single currency from a high at 1.0583 to 1.05 this morning. A dive below June 17th low at 1.0445 would trigger a bigger downwards extension to test 1.0384. On the flipside, resumption of the weekly uptrend would bring the pair to test resistance at 1.06.

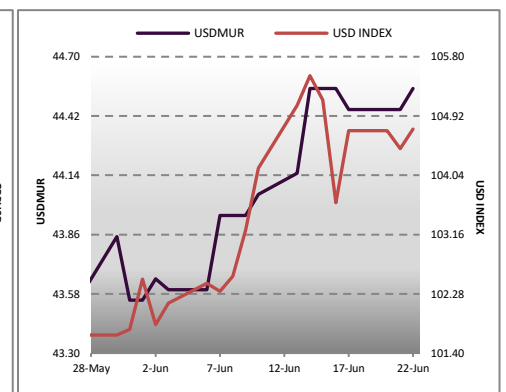
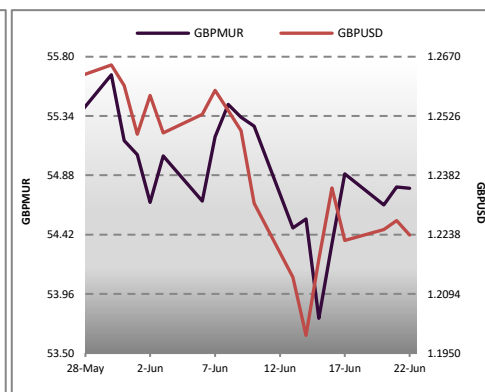
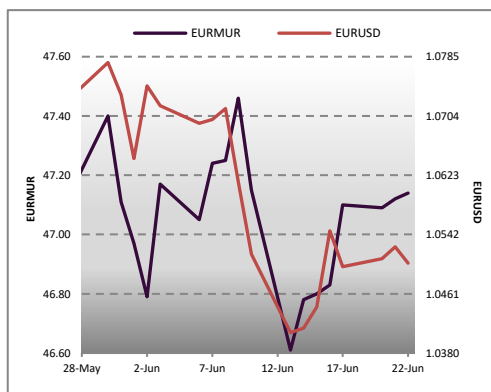
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.10	(0.13)	31.30	(0.14)
CNYMUR	6.49	(0.02)	6.82	(0.02)
EURMUR	45.77	0.02	47.14	0.02
JPYMUR	31.72	(0.21)	32.99	(0.22)
ZARMUR	2.68	-	2.85	-
USDMUR	43.65	0.10	44.55	0.10
GBPMUR	53.18	(0.01)	54.78	(0.01)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.08	30.00	29.80	31.29	31.23	31.06
EURMUR	45.81	45.88	45.88	47.19	47.29	47.35
ZARMUR	2.67	2.64	2.61	2.84	2.81	2.80
USDMUR	43.60	43.48	43.20	44.52	44.42	44.18
GBPMUR	53.14	53.06	52.79	54.76	54.70	54.47



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6970	0.6973	0.6910	0.6917
EURUSD	1.0525	1.0538	1.0487	1.0509
GBPUSD	1.2274	1.2280	1.2215	1.2243
USDJPY	136.64	136.71	136.06	136.41
USDCHF	0.9658	0.9687	0.9658	0.9675
USDCNH	6.69	6.73	6.69	6.73

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	29,888.78	2.15
S&P 500	3,764.79	2.45
FTSE 100	7,152.05	0.42
DAX	13,292.40	0.20
CAC 40	5,964.66	0.75
NIKKEI 225	26,240.47	(0.02)
HANGSENG	21,234.10	(1.51)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
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%
23-Jun	08 00	EU	S&P Global Composite PMI PREL	Jun	-	54.0	54.8
23-Jun	12 30	US	Initial Jobless Claims	Jun	-	225K	229K

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 prices edged lower yesterday, taking yield higher, as market participants returned from a three-day US holiday weekend.

> Most US financial markets were closed on Monday for the Juneteenth holiday, after yields on Friday logged a third straight weekly rise, but ended off multiyear highs set earlier in the week.

> The yield on the benchmark 10-year US Treasury note, which underpins loan pricing worldwide, gained 0.08 percentage points to trade at 3.3 percent, while the policy-sensitive two-year Treasury yield rose by 0.02 percentage points to 3.2 percent.

> US Federal Reserve chairman. Mr. Jerome Powell is due to start his testimony to Congress today with investors looking for further clues about whether another 75 basis point rate hike is on the agenda at the Fed July meeting.

> Today, the Bank of Mauritius will hold the auction for the Twenty-year Government of Mauritius Bonds for a nominal amount of MUR 2,500 Mio.

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	3.1635	3.313
UK Bonds	2.304	2.317
German Bonds	1.099	1.491

Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	1.626	2.123	2.812
GBP	-	1.228	1.613	2.286
EURIBOR	-0.568	-0.500	-0.178	-0.273

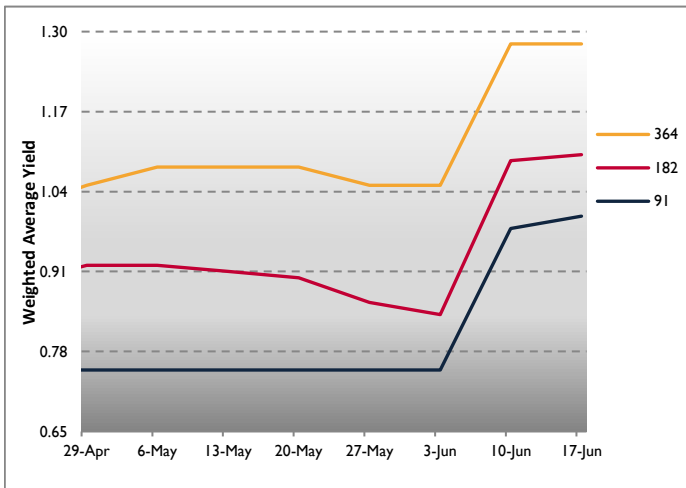
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	1.809	2.251	2.364	2.523
USD LIBOR - 3m	3.555	3.356	3.315	3.308

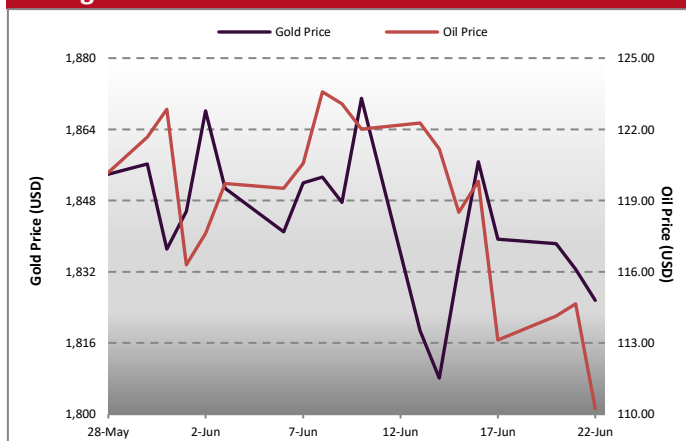
* Pay fixed and receive floating swap

Auction Results of Treasury Bills



COMMODITIES

Rolling Gold & Oil Prices



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

News

> Gold extended losses this morning in Asia, heading towards the USD 1,800 threshold, as the flare-up over recession fear has boosted the dollar's safe-haven appeal. However, risk-aversion-led sell-off in the Treasury yields is capping losses in the bullion.

> Oil prices dipped by more than USD 4 a barrel as US President Joe Biden is set to push for US fuel cost cuts in an attempt to ease the pain for drivers during peak summer consumption.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	123.49	0.73
Gold (\$)	1,827.00	(5.56)