

## FOREIGN EXCHANGE MARKET

### News

- > Markets remain in a risk-off mode on the resurgence of Covid-19 in Europe and worries about the potential curb to contain the virus, enhancing the safe haven allure of the dollar.
- > The rise in US Treasury yields amid Fed's hawkish expectations heading into this week FOMC minutes also adds strength in the greenback against its major peers.
- > EUR/USD dipped below the 1.1300 handle with market players seeking safer havens as Covid-19 lockdowns returned anew to haunt Europe's economic prospects while expectations have also grown that the ECB will be lagging with regards to interest rate hikes compared to other central banks.
- > Positive UK retail sales and progress in EU-UK talks propped up the pound sterling on Friday but the surging dollar capped gains in the GBP/USD pair.
- > Rising US Treasury yields helped USD/JPY to climb back above the 114 level after dipping to weekly lows of 113.58 on Friday.
- > AUD/USD dipped to a six-week low on Friday, hurt by the renewed covid woes-led risk aversion.
- > Broad based US dollar strength and falling crude oil prices weighed on the loonie.
- > The South African rand overlooked the recent 25-basis point rise in lending rate by the SARB and slumped to a one-year trough against the dollar on Friday, pressured by the rising dollar and Europe-focused pandemic fears.
- > With the single currency losing major ground to trade below the 1.1300 handle, the USD/MUR opens this week at MUR 43.42/USD, 5 cents higher than on Friday's open. The EUR/MUR on the other hand, sheds 30 cents to open at MUR 49.12/EUR.

### Daily Technical View

EUR/USD - The EUR traded to a fresh 16-month low of 1.1250 against the USD on Friday, undermined by new restrictions in European countries to fight a fourth wave of Covid-19 infections and by calls from US Fed's officials Waller, Bullard and Clarida for an accelerated QE taper. Intra-day a clear break below 1.1250 will open up fresh downside targets at 1.1150/70 whereas on the upside 1.1260/90 resistance area is expected to cap rallies.

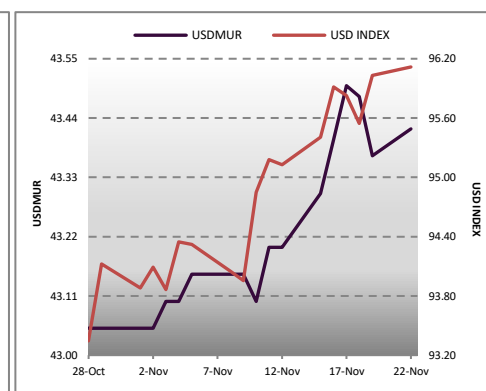
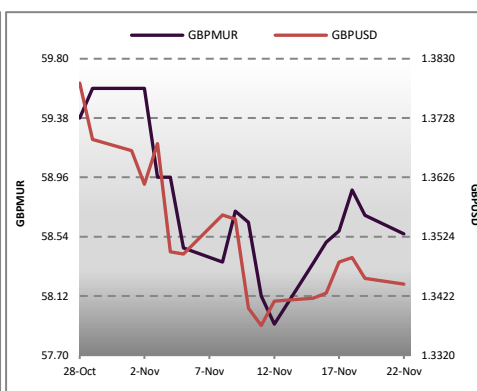
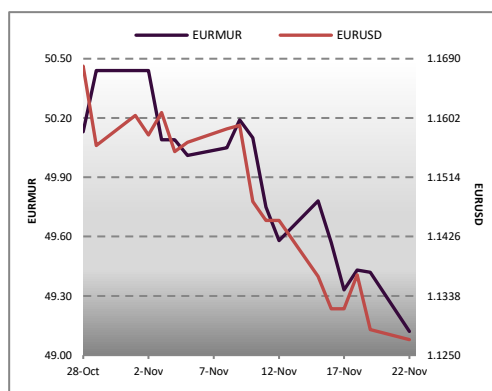
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.66	(0.07)	31.89	(0.07)
CNYMUR	6.65	0.01	6.99	0.01
EURMUR	47.69	(0.29)	49.12	(0.30)
JPYMUR	36.88	0.12	38.36	0.13
ZARMUR	2.66	(0.04)	2.83	(0.05)
USDMUR	42.52	0.05	43.42	0.05
GBPMUR	56.85	(0.13)	58.56	(0.13)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.65	30.63	30.59	31.91	31.99	32.08
EURMUR	47.68	47.66	47.61	49.18	49.32	49.55
ZARMUR	2.64	2.61	2.54	2.83	2.83	2.83
USDMUR	42.50	42.46	42.36	43.45	43.53	43.66
GBPMUR	56.84	56.81	56.66	58.60	58.70	58.81



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7234	0.7256	0.7228	0.7257
EURUSD	1.1291	1.1291	1.1266	1.1280
GBPUSD	1.3453	1.3457	1.3428	1.3447
USDJPY	113.96	114.21	113.92	114.15
USDCHF	0.9285	0.9301	0.9273	0.9293
USDCNH	6.39	6.40	6.38	6.38

#### Major Indices

	Value at Close	Day Change %
DOW JONES	35,870.95	(0.75)
S&P 500	4,697.96	(0.14)
FTSE 100	7,223.57	(0.45)
DAX	16,159.97	(0.38)
CAC 40	7,112.29	(0.42)
NIKKEI 225	29,688.42	(0.19)
HANGSENG	24,940.08	(0.44)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
18-Nov	13 30	US	Initial Jobless Claims	Nov	268K	260K	269K
19-Nov	07 00	UK	Retail Sales (YoY)	Oct	-1.3%	-2.0%	-0.6%
19-Nov	13 30	CA	Retail Sales (MoM)	Sep	-0.6%	-1.7%	1.8%
22-Nov	01 30	CN	PBoC Interest Rate Decision	-	3.85%	-	3.85%

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

- > Yields for US government debt ended lower on Friday to close out the final full week of trading in November before the Thanksgiving holiday next Thursday.
- > Long-dated yields declined as rising COVID cases in the US and Austria's lockdown sparked a flight toward the perceived safety of government debt, driving yields down and prices higher.
- > Reports indicate that the US has been seeing a surge in cases in the Upper Midwest, with a busy travel season about to begin ahead of next Thursday's Thanksgiving holiday. Meanwhile, the Austrian government announced a nationwide lockdown starting Monday for up to 20 days, and would require its people to get vaccinated starting February.

- > The 10-year and 30-year Treasury yields hit their lowest yield since November 9 and saw their sharpest one-day declines since that same day. For the week, the 2-year yield declined 1.9 basis points, while the 10-year Treasury rate fell 4.8 basis points and the 30-year bond gave up 4.9 basis points.
- > The result of the 182-Day Government of Mauritius Treasury Bills was as follows: out of 5 bids received, only 1 was successful, with the weighted average yield published at 0.75 percent and the bid to cover ratio at 2.5.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.55	0.40
2M	0.60	0.45
3M	0.65	0.50
4M	0.70	0.55
6M	0.80	0.65
8M	0.87	0.72
10M	0.95	0.80
1Y	1.00	0.85

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.75	2.55
5 Year	3.05	2.80
10 Year	4.35	4.10
15 year	4.60	4.35
20 Year	4.85	4.60

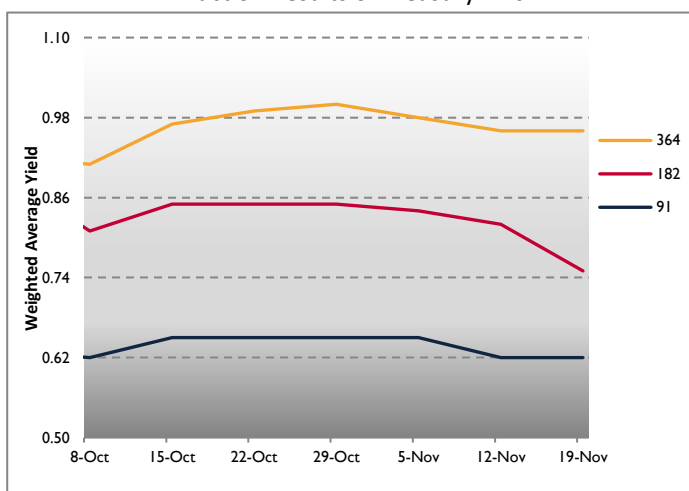
#### Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	1.85	1.85
Fed Funds Rate	0.00 - 0.25	0.00 - 0.25
BoE Bank Rate	0.10	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	0.5211	1.225
UK Bonds	0.488	0.637
German Bonds	-0.773	-0.638

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.584	-0.577	-0.565	-0.545
USD	0.078	0.093	0.164	0.229
GBP	0.039	0.060	0.115	0.300
EURIBOR	-0.568	-0.558	-0.559	-0.528

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.370	-0.169	-0.065	0.104
USD LIBOR - 3m	0.792	1.338	1.480	1.601

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > Oil prices extended losses this morning in Asia on prospects of demand and supply-side risks as the resurgent mobility and travel driven expectations are at threat while Japan announced that it was considering releasing oil reserves to help dampen prices.
- > Gold prices dipped to a near two week low, weighed down by gains in the dollar on calls for early tapering of economic support by the US Central Bank. However, concerns over the soaring numbers of Covid-19 cases in Europe helped cap some losses in the bullion.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	81.19	(2.24)
Gold (\$)	1,846.08	1.48