

FOREIGN EXCHANGE MARKET

News

> The greenback surged to a fresh two-decade high after the Federal Reserve raised US interest rates by 75 basis points on Wednesday and forecast more hikes ahead. Also supporting the greenback safe-haven demand was Russian President Vladimir Putin's announcement to mobilize more troops for the war in Ukraine.

> EUR/USD plunged to 0.9807, its lowest since October 2002 on renewed USD strength and amid growing concerns about an escalation in the war in Ukraine after Russia mobilised reservists for the first time since World War II.

> GBP/USD fell to a fresh 37-year low of 1.1220 on broad-based rebound in USD ahead of the Bank of England interest rate decision later in the day.

> The BoJ made no changes to its monetary policy settings, holding rates at -10bps while maintaining the 10yr Japanese government bond yield target at 0.00 percent.

> AUD/USD weakened below the level of 0.6600 on pessimism after a hawkish policy from the Fed while Australian markets are closed today on account of national mourning day.

> The Canadian dollar slumped to a two-year low hitting 1.3500 against its US counterpart amid an aggressive Fed rate hike and falling oil prices.

> The South African rand held steady on Wednesday ahead of the South African Reserve Bank monetary policy meeting this Thursday.

> The USD/MUR opens at MUR 44.40/USD on the offer while the EUR/MUR opens below 44.00 for the first time since April 2020.

Daily Technical View

EUR/USD – Fed's hawkish stance to project interest rates at 4.6 percent by the end of 2023 during last night FOMC meeting unraveled a king US dollar rally. The single currency plummeted to a low at 0.9808, crossing the mid of the bearish parallel channel, stemming from February 2022. A recovery towards resistance at 0.9875 could happen today, before re-gaining its territory to newer lows at 0.9750.

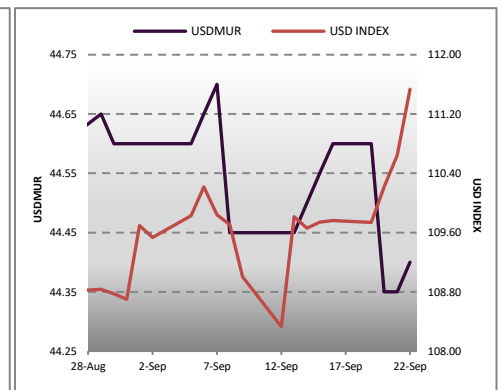
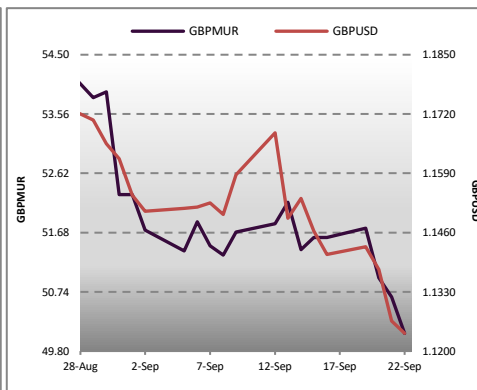
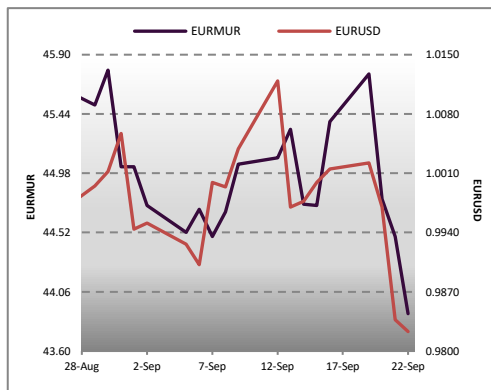
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.53	(0.34)	29.93	(0.35)
CNYMUR	6.12	(0.04)	6.43	(0.05)
EURMUR	42.61	(0.58)	43.89	(0.60)
JPYMUR	29.73	(0.18)	31.31	(0.19)
ZARMUR	2.41	-	2.57	-
USDMUR	43.50	0.05	44.40	0.05
GBPMUR	48.62	(0.56)	50.08	(0.58)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.49	28.36	28.13	29.90	29.82	29.68
EURMUR	42.60	42.55	42.36	43.92	43.95	43.90
ZARMUR	2.40	2.38	2.33	2.56	2.55	2.52
USDMUR	43.41	43.16	42.72	44.34	44.19	43.94
GBPMUR	48.57	48.44	48.27	50.07	50.04	50.03



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6629	0.6635	0.6584	0.6604
EURUSD	0.9836	0.9848	0.9810	0.9831
GBPUSD	1.1267	1.1281	1.1221	1.1245
USDJPY	144.04	145.32	143.57	144.90
USDCHF	0.9660	0.9695	0.9640	0.9661
USDCNH	7.07	7.10	7.07	7.10

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	30,706.23	(1.70)
S&P 500	3,789.93	(1.71)
FTSE 100	7,237.64	0.63
DAX	12,767.15	0.76
CAC 40	6,031.33	0.87
NIKKEI 225	27,162.14	(0.55)
HANGSENG	18,100.16	(1.87)

Major Economic Releases (at GMT)

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

News

> Treasury yields strengthened yesterday, with the US 2-year rate crossing 4.1 percent, after the Federal Reserve delivered another 75-basis-point interest rate hike and updated its rate projections.

> The US Central Bank rose its main interest rate to a range of 3 per cent to 3.25 per cent. The increase was in line with expectations, but the closely watched “dot plot” of individual officials’ predictions pointed to further large increases and no cuts before the end of next year.

> The weighted average yield for the 5-Year Government of Mauritius Bonds was published at 3.53 percent.

> Today, the Bank of Mauritius will hold the auction for the 7-day Bank of Mauritius bill for a nominal amount of MUR 500 Mio.

> Tomorrow, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 500 Mio as well as the auction for the 91-Day and 182-Day Bank of Mauritius Treasury bills for a nominal amount of MUR 2,000 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	3.55	3.30
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	3.00 - 3.25	2.25 - 2.50
BoE Bank Rate	1.75	1.25
ECB Ref. Rate	1.25	0.50
RBA Cash Rate	2.35	1.85

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.1158	3.809
UK Bonds	3.456	3.375
German Bonds	1.752	1.849

Money Market Rates

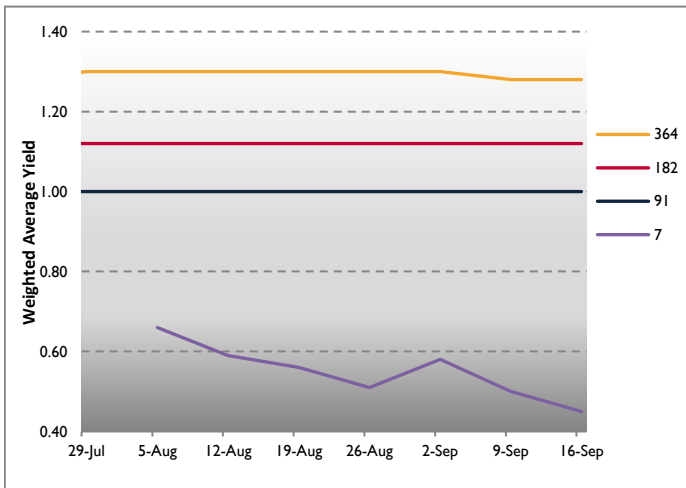
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	3.052	3.602	4.175
GBP	-	2.340	2.866	3.650
EURIBOR	0.658	0.700	1.100	1.740

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.743	2.656	2.639	2.681
USD LIBOR - 3m	4.532	3.910	3.730	3.607

* Pay fixed and receive floating swap

Auction Results of Treasury Bills

COMMODITIES
Rolling Gold & Oil Prices


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News

> A more than expected hawkish tone from the Federal Reserve yesterday weighed on oil prices. However the latter recovered in the morning session with Brent crude gaining 0.60 percent as supply fears overweighed recession fears.

> Gold prices lost ground with spot gold prices falling by 0.30 percent an ounce after the Federal Reserve signalled a more aggressive tightening cycle on the future path of rates, driving investors away from the yellow metal.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	94.13	0.42
Gold (\$)	1,662.70	(11.04)