

FOREIGN EXCHANGE MARKET

News

>The greenback traded mixed against its peers on Friday as investors remained uncertain about the Federal Reserve's next monetary policy action.

>EUR/USD pair ended the week as it started, trading at around the 1.0820 threshold after hitting a fresh nine-month high of 1.0886 on Wednesday. Macroeconomic figures released last week confirmed ECB policymakers' hawkish views on interest rate hikes, taking EUR to a nine-month high against the dollar this morning.

>GBP/USD traded nearly flat at 1.2395, after UK data showed a surprise drop in retail sales in December. The pair breached the 1.24 level this morning, boosted by UK stimulus bets.

>The Canadian dollar strengthened against its US counterpart on Friday, recouping losses from earlier in the week, as equity markets rallied and investors turned attention to an upcoming interest rate decision by the Bank of Canada.

>This week, the Bank of Canada will be the next after the BoJ to announce its first policy decision of the year. On Tuesday, S&P Global will release the preliminary estimates of its January PMIs for the Euro Zone and the US. The economic calendar in the US also includes the first estimate of fourth quarter GDP on Thursday and the personal consumption price index on Friday.

>The Bank of Japan defied market pressure to reverse its ultra-easy bond control policy resulting the US dollar to be more stable against the Japanese Yen.

>The South African rand traded stronger against the US dollar than its previous close since power cuts have been reduced by state utility.

> While the USD/MUR stagnates at MUR 44.20/USD on the offer, the EUR/MUR sees yet another hike to breach the MUR 48.00 handle and open at MUR 48.26/EUR on the offer this morning.

Daily Technical View

EURUSD again held the 1.08 handle on Friday and dips remained shallow as the pair looked poised to test higher levels. Thin Asia trading this morning due to Lunar New Year holidays has pulled the US dollar lower across the board. Euro hit a 1.0903 high this morning and traders will see a close to day above 1.0920/40 as a very positive signal for further upside. Intraday support lies at 1.0840/60 ahead of 1.0800.

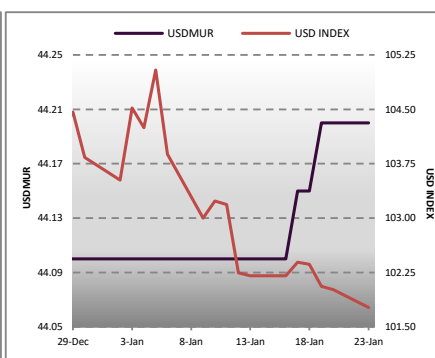
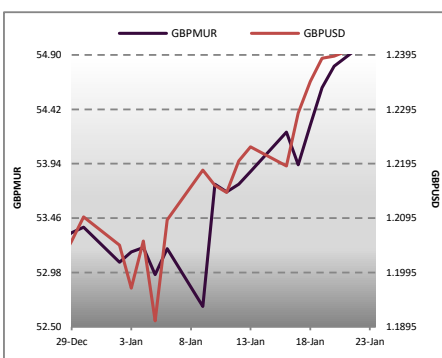
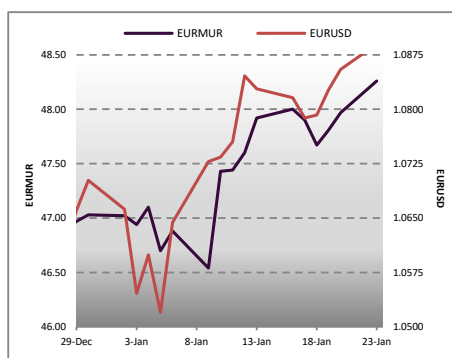
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.08	0.28	31.55	0.29
CNYMUR	6.38	0.01	6.71	0.01
EURMUR	46.85	0.28	48.26	0.29
JPYMUR	33.09	(0.15)	34.84	(0.16)
ZARMUR	2.49	0.03	2.65	0.03
USDMUR	43.30	-	44.20	-
GBPMUR	53.44	0.24	55.04	0.24

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.07	30.03	29.96	31.56	31.57	31.61
EURMUR	46.87	46.89	46.83	48.32	48.44	48.54
ZARMUR	2.48	2.46	2.43	2.64	2.63	2.61
USDMUR	43.23	43.07	42.81	44.16	44.10	44.05
GBPMUR	53.39	53.30	53.19	55.04	55.06	55.13



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6950	0.6994	0.6959	0.6985
EURUSD	1.0858	1.0903	1.0860	1.0898
GBPUSD	1.2399	1.2447	1.2392	1.2421
USDJPY	129.50	129.84	129.05	129.73
USDCHE	0.9197	0.9204	0.9171	0.9178
USDCNH	6.78	6.78	6.76	6.77

Major Indices

	Value at Close	Day Change %
DOW JONES	33,044.56	1.00
S&P 500	8,468.15	1.80
FTSE 100	7,770.59	0.30
DAX	15,033.56	(1.72)
CAC 40	6,995.99	(1.86)
NIKKEI 225	26,405.23	(1.44)
HANGSENG	22,044.65	1.82

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
23-Jan	15 00	EU	Consumer Confidence	Jan	-	-22.5	-22.2
24-Jan	08 30	DE	S&P Manufacturing PMI	Jan	-	-49.6	-49.0
24-Jan	21 45	NZ	Consumer Price Index	Q4	-	7.1%	7.2%
25-Jan	00 30	AU	Consumer Price Index	Q4	-	1.6%	1.80%

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 ticked higher on Friday, with 2- and 10-year rates extending a rise off roughly four-month lows but posted a third straight weekly decline, as investors weighed mixed signals on the economy.

> Market participants have weighed a mixed bag of economic data, including figures that have pointed to continued weakness in the manufacturing sector, a larger-than-expected fall in US retail sales and a further decline in the producer price index.

> The 2-year Treasury note yield rose to 4.181 percent, while the benchmark 10-year Treasury yield gained 8.7 basis points to trade at 3.483 percent. The long-bond yield firmed to 3.655 percent.

> On Friday 20th January 2023, the Bank of Mauritius received applications for the 7 - Day Bank of Mauritius Bills for a total amount of MUR 42,180 Mio and allotted full amount at the weighted average rate of 4.50 percent.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	4.20	4.05
2M	4.35	4.20
3M	4.50	4.35
4M	4.52	4.37
6M	4.55	4.40
8M	4.56	4.41
10M	4.57	4.42
1Y	4.60	4.45

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.70	4.50
3 year	4.90	4.70
4 Year	5.05	4.85
5 Year	5.25	5.00
10 Year	6.00	5.75
15 year	6.30	6.05
20 Year	6.55	6.30

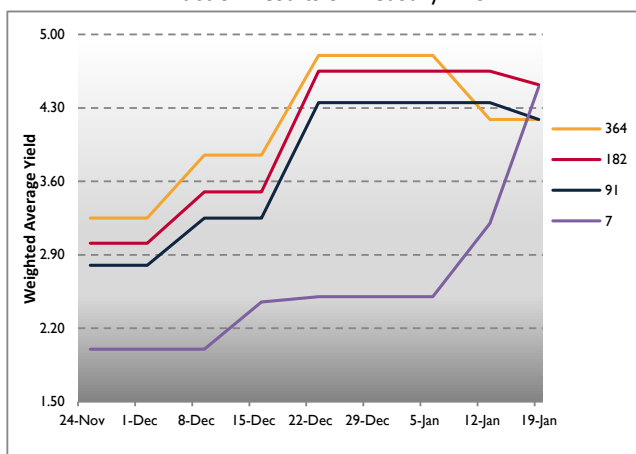
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	4.25 - 4.50	3.75 - 4.00
BoE Bank Rate	3.50	3.00
ECB Ref. Rate	2.50	2.00
RBA Cash Rate	3.10	2.85

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.1658	3.544
UK Bonds	3.45	3.274
German Bonds	2.578	2.208

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.454	4.792	5.101
GBP	-	3.622	3.975	4.381
EURIBOR	1.895	1.908	2.328	2.876

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.123	2.757	2.704	2.737
USD LIBOR - 3m	4.407	3.577	3.469	3.420

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

> Gold shed some gains on Friday after peaking to USD 1,937.91 as the dollar regained some ground. Trading was relatively light this morning amid market holidays in several Asian countries for the Lunar New Year. Markets await more US data this week to gauge whether the world's largest economy is facing a potential recession in 2023.

> Oil prices edged lower from a recent rally on Monday, as traders await more cues on an economic recovery in China and a potential US recession.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	88.31	1.79
Gold (\$)	1,928.05	1.48