

FOREIGN EXCHANGE MARKET

News

> The US dollar ended lower on Wednesday against most major peers, although the slide was limited. Most major pairs remained within familiar levels, with volatility limited. Focus today will be on the US PMI for June, US jobless claims and the second round of Fed Chair Jerome Powell testimony.

> On Wednesday, the US Federal Reserve Chief Jerome Powell testified at the US Senate. He stated that the central bank remains committed to bringing inflation down and added that data and the US economic outlook would determine the pace of tightening. Additionally, for the first time, he acknowledged that hiking rates could tip the US economy into a recession and called that a soft landing will be very challenging.

> EUR/USD extended its gains in the week, advancing for the third straight day, amidst a mixed market mood surrounding the financial markets.

> GBP/USD ended the day at around 1.2260 as traders remained cautious ahead of the preliminary PMIs for June from the UK and the US.

> USD/JPY retreated to around 135.50 from a 24-year high of 136.71 reached on Wednesday ahead of the US PMI while the lack of hawkish signals from Jerome Powell weighed on the USD.

> AUD/USD dropped below 0.6900 in Asia this morning, as investors remain worried about a looming risk of a global recession while Aussie PMI came in mixed for June.

> USD/CAD lost momentum after approaching the 1.3000 level while CPI in Canada rose to an annual rate of 7.7 percent in May, the highest since January 1983.

> The USD/MUR maintains the MUR 44.55/USD level on the offer, while the EUR/MUR opens at MUR 47.40/EUR, with the single currency trading close to the 1.0600 handle.

Daily Technical View

EUR/USD - The shared currency rocketed from intraday low of 1.0470 to 1.0605 on the back of a weaker dollar after the US Fed Chair emphasized to bring inflation back to target 2.0 percent. Upward trajectory for the pair is highly anticipated to extend the one-week uptrend, moving along the bullish parallel channel. Resistance is formed at June 16th high nearing 1.0660, while support is found at double bottom 1.0470.

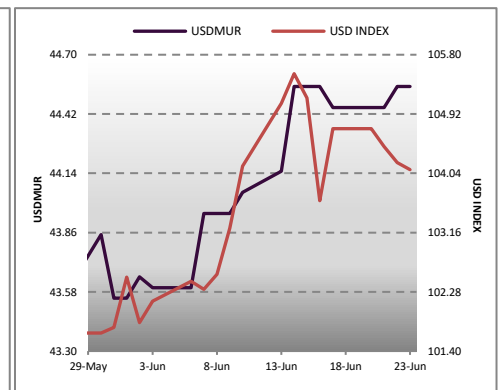
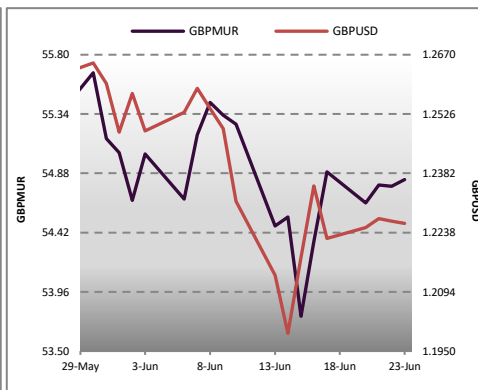
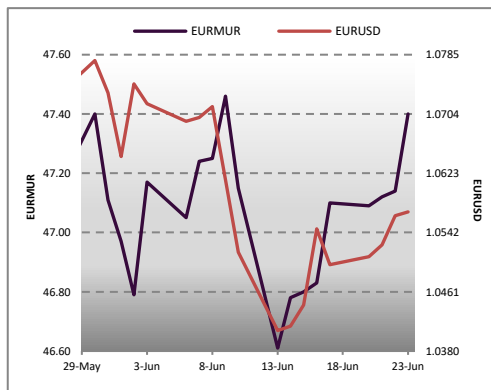
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.95	(0.15)	31.15	(0.15)
CNYMUR	6.49	-	6.82	-
EURMUR	46.02	0.25	47.40	0.26
JPYMUR	31.91	0.19	33.19	0.20
ZARMUR	2.69	0.01	2.86	0.01
USDMUR	43.65	-	44.55	-
GBPMUR	53.23	0.05	54.83	0.05

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.93	29.85	29.66	31.14	31.08	30.92
EURMUR	46.06	46.13	46.16	47.45	47.55	47.63
ZARMUR	2.68	2.65	2.63	2.85	2.82	2.81
USDMUR	43.60	43.49	43.21	44.52	44.42	44.18
GBPMUR	53.19	53.11	52.85	54.81	54.75	54.54



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6924	0.6928	0.6870	0.6878
EURUSD	1.0565	1.0581	1.0499	1.0513
GBPUSD	1.2267	1.2272	1.2176	1.2190
USDJPY	136.25	136.25	135.14	135.42
USDCHF	0.9614	0.9657	0.9599	0.9652
USDCNH	6.71	6.72	6.70	6.71

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	30,530.25	(0.15)
S&P 500	3,759.89	(0.13)
FTSE 100	7,029.05	(0.85)
DAX	13,144.28	(1.11)
CAC 40	5,916.63	(0.81)
NIKKEI 225	26,112.28	(0.14)
HANGSENG	21,288.16	1.33

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%	9.1%	9.0%
22-Jun	12 30	CA	BoC CPI Core (YoY)	May	6.1%	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 yields edged lower yesterday, as Federal Reserve Chair Jerome Powell reiterated a commitment to rein in inflation and falling commodity prices underline economic growth fears.

> Mr. Powell, speaking to the Senate Banking Committee, stated that the central bank was committed to bringing inflation down and that additional rate hikes were coming, while only the size of the upcoming moves has not been decided.

> The yield on the 10-year US Treasury note gave away 14.9 basis points to trade at 3.155 percent, while the 2-year Treasury note yield dropped 14 basis points to 3.056 percent. The long-bond yield eased to 3.241 percent.

> The yield on UK gilts dropped 0.15 percentage points to 2.50 percent, after data showed that British inflation rose to 9.1 percent last month, increasing fears of a recession.

> The result of the Twenty-Year Government of Mauritius Bonds was as follows: out of 18 bids received, only 3 were successful, with the weighted average yield published at 5.31 percent.

> Tomorrow, the Bank of Mauritius will hold the auction for the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 600Mio as well as the 91-Day and 364-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	0.80	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	3.0187	3.176
UK Bonds	2.061	2.064
German Bonds	0.886	1.238

Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	1.642	2.154	2.842
GBP	-	1.227	1.625	2.301
EURIBOR	-0.563	-0.512	-0.163	-0.289

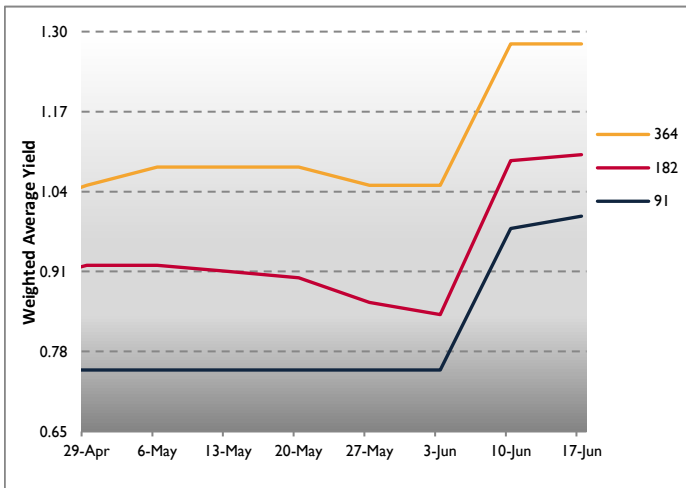
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	1.550	1.957	2.091	2.278
USD LIBOR - 3m	3.389	3.208	3.179	3.175

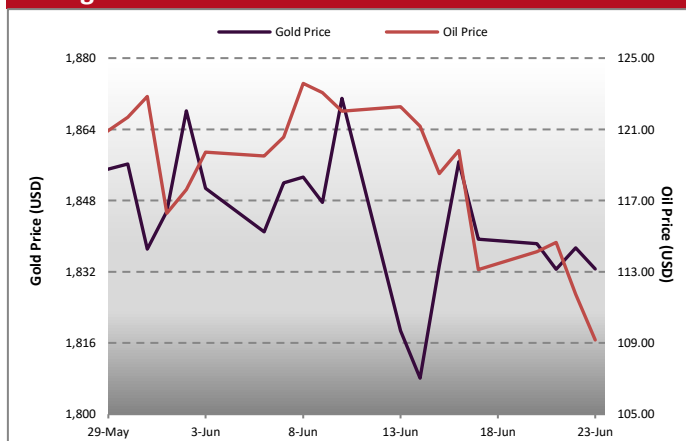
* Pay fixed and receive floating swap

Auction Results of Treasury Bills



COMMODITIES

Rolling Gold & Oil Prices



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

> The bullion stays on the way to a second consecutive weekly loss as fears of economic slowdown join inflation woes to weigh on the metal prices.

> Oil markets remained under pressure, with prices edging lower this morning during the Asian session, amid concerns that US rate hikes would stall an economic recovery and dampen fuel demand.

> Wednesday's US crude supply data from the American Petroleum Institute showed a build of 5.607 million barrels for the week ended June 17.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	119.68	(3.80)
Gold (\$)	1,836.80	(0.59)