

FOREIGN EXCHANGE MARKET

News

- > The nomination of current US Central Bank Chief Jerome Powell as Fed Chairman for another four years spurred demand for the greenback, with the US dollar index jumping to fresh high since July 2020.
- > Market will now focus on the preliminary estimates of November PMIs for the US and the EU due today, with the US figure becoming more important amid stronger talks of the Fed rate hikes
- > The euro plunged to a fresh 2021 low of 1.1227 this morning against the dollar as the re-nomination of Jerome Powell as Fed Chairman reinforces expectations that the US will taper its stimulus soon. The European Covid-19 concerns and worse than anticipated EU consumer confidence data further hurt the common currency.
- > GBP/USD started the week on the back foot, dipping below the 1.3400 level, pressured by a firmer dollar and Brexit jitters.
- > USD/JPY bounced to a four and a half year peak above the psychological mark of 115.00, powered by hawkish Fed expectations and elevated US bond yields.
- > AUD/USD bounced back from a seven-week low amid a pullback in the US dollar and US Treasury yields this morning. Comments about record low interest rates from the Head of Domestic Markets at the RBA also favored the pair's corrective pullback.
- > USD/CAD rallied above 1.2700 as the re-nomination of Jerome Powell signaled policy stability after recent calls from fellow policymakers to consider faster tapering.
- > The rand hit its lowest since November 2020 at 15.83 against the surging dollar on Monday. Rising Covid-19 cases in Europe and renewed curbs doused investor hopes of a quicker recovery in consumption and growth worldwide, weighing on riskier assets like the rand.
- > The USD/MUR sees another spike to MUR 43.50/USD this morning, with the single currency trading below the 1.1250 handle.

Daily Technical View

EUR/USD - In Asia this morning the single currency traded to a fresh year low of 1.1227 against the USD as the market cheered the re-nomination of Fed's Chairman Jerome Powell for a second four-year term by the Biden administration. Intra-day a drop towards 1.1170 support level looks likely, with break opening up a fresh downside target at 1.1100, whereas on the upside resistance lies at the 1.1290/1.1320 area.

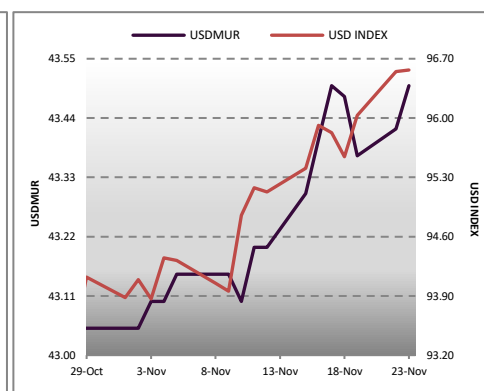
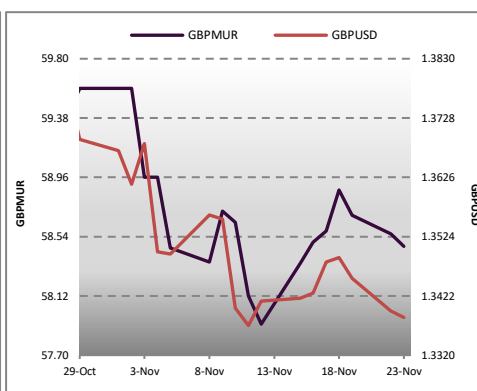
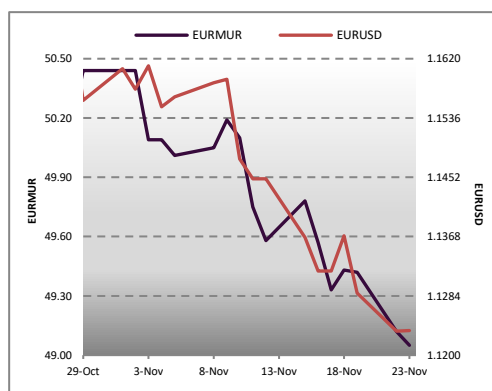
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.62	(0.04)	31.84	(0.05)
CNYMUR	6.66	0.01	7.00	0.01
EURMUR	47.62	(0.07)	49.05	(0.07)
JPYMUR	36.63	(0.25)	38.10	(0.26)
ZARMUR	2.64	(0.02)	2.81	(0.02)
USDMUR	42.60	0.08	43.50	0.08
GBPMUR	56.77	(0.08)	58.47	(0.09)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.61	30.59	30.55	31.86	31.92	32.01
EURMUR	47.61	47.59	47.56	49.11	49.24	49.47
ZARMUR	2.63	2.59	2.54	2.81	2.80	2.80
USDMUR	42.58	42.54	42.44	43.53	43.61	43.74
GBPMUR	56.76	56.71	56.59	58.51	58.59	58.73



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7224	0.7236	0.7213	0.7218
EURUSD	1.1235	1.1244	1.1227	1.1237
GBPUSD	1.3393	1.3405	1.3383	1.3385
USDJPY	114.90	115.13	114.75	115.09
USDFX	0.9310	0.9335	0.9311	0.9320
USDCNH	6.39	6.39	6.38	6.39

Major Indices

	Value at Close	Day Change %
DOW JONES	35,601.98	0.05
S&P 500	4,682.94	(0.32)
FTSE 100	7,255.46	0.44
DAX	16,115.69	(0.27)
CAC 40	7,105.00	(0.10)
NIKKEI 225	29,774.11	0.10
HANGSENG	24,660.93	(1.16)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
23-Nov	09 00	EU	Markit PMI Composite PREL	Nov	-	53.1	54.2
23-Nov	09 30	UK	Markit Services PMI PREL	Nov	-	58.5	59.1
24-Nov	13 30	US	Durable Goods Orders	Oct	-	0.2%	-0.3%
24-Nov	13 30	US	GDP Annualized PREL	Q3	-	2.1%	2.0%

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 rose across the board at the fastest daily clip in nearly two weeks to kick off a holiday-shortened week.
- > The rise in yields came as stocks rallied on the White House's announcement that President Joe Biden would nominate Federal Reserve Chairman Mr. Jerome Powell to a second four-year term.
- > Investors cheered Mr. Biden's decision, with stocks opening higher in reaction. All three major indexes ; the Dow industrials, S&P 500 and Nasdaq Composite indexes headed higher after the announcement, before ending the session mostly lower.
- > The 10-year US Treasury note yield peaked at 1.625 percent, up 9 basis points, while the 2-year Treasury note yielded 0.580 percent. The 30-year Treasury bond yield firmed at 1.978 percent, climbing 7.2 basis points, compared with 1.906 percent on Friday afternoon.
- > Tomorrow, the Bank of Mauritius will hold the auction for the Three-Year Government of Mauritius Treasury notes for a nominal amount of MUR 2,500 Mio.

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

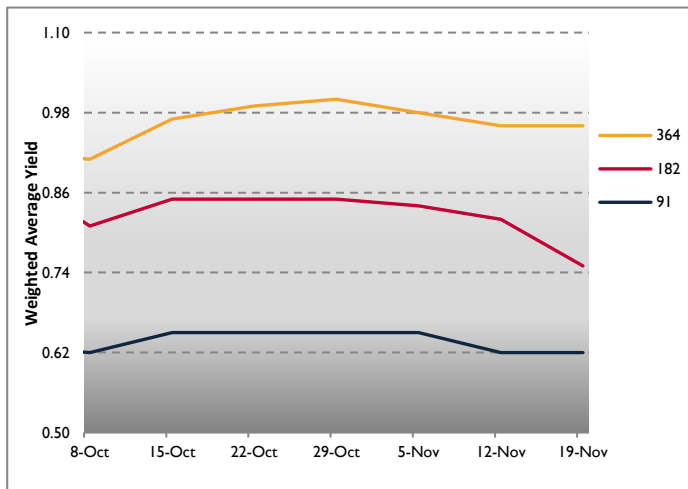
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Local Secondary Market T-Bonds		
	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.75	2.55
5 Year	3.05	2.80
10 Year	4.35	4.10
15 year	4.60	4.35
20 Year	4.85	4.60

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	0.6319	1.323
UK Bonds	0.547	0.675
German Bonds	-0.74	-0.595

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

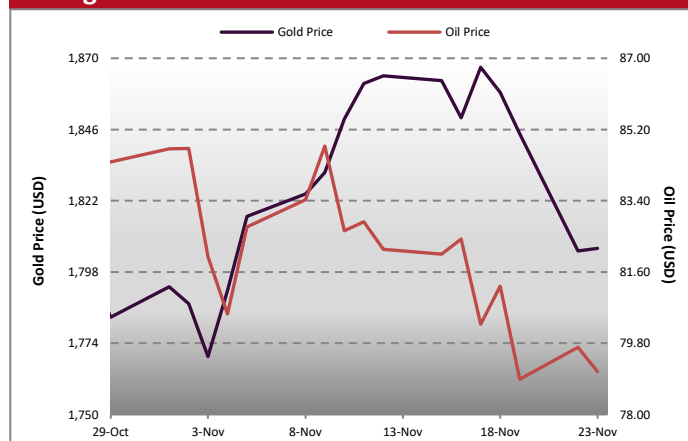
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.372	-0.141	-0.034	0.137
USD LIBOR - 3m	0.856	1.443	1.584	1.686

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

- > Growing talks that the United States, Japan and India will release crude reserves in an attempt to tame soaring energy prices after the OPEC producer group and its allies rebuffed repeated requests to pump more quickly to match rising demand kept oil prices down.
- > Gold was up on this morning in Asia, but remained near its lowest level in more than two weeks, as bets on quicker-than-expected interest rate hikes increased with Federal Reserve Chairman Jerome Powell nomination for a second term.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	82.81	1.63
Gold (\$)	1,806.19	1.15