

## FOREIGN EXCHANGE MARKET

### News

- > US dollar strengthened further on Thursday underpinned by a falling euro, after European Central Bank President Mario Draghi warned that euro area growth was waning.
- > As expected, the ECB left interest rates unchanged while reiterating that they would remain at record lows at least until next summer. The European Central Bank President Mario Draghi indicated that economic risks have moved to the downside and near-term data is likely to be weaker than previously anticipated.
- > The GBP/USD surged above the 1.31 level in early trade this morning following news that Northern Ireland Democratic Unionist Party has privately decided to offer conditional backing for Prime Minister Theresa May Brexit deal next week.
- > The USD/JPY edged higher to 109.80 on slightly upbeat US data as well as rebound in US treasury yields. US manufacturing and services PMI came in better-than-expected at 54.9 and 54.2 against expectations of 53.5 and 54.1 respectively.
- > The AUD/USD dropped to 0.7080, the lowest level in almost three weeks on increased speculation about an RBA rate cut, weak economic data from Europe and a rebound in the greenback.
- > The Canadian dollar weakened to its lowest in more than two weeks against its US counterpart on Thursday as optimism faded for a near-term resolution to a trade dispute between the United States and China.
- > The US Dollar gains 5 cents this morning against the Rupee, post further dovish comments from ECB President Mario Draghi yesterday.

### Daily Technical View

EUR/USD - A roller-coaster session saw the pair gyrating in a 1.1310-80 range during the ECB meeting before posting a weekly low of 1.1290 after ECB President Draghi stated that the balance of risks for the Euro-zone economic outlook has moved to the downside. Intra-day we may see a take-profit bounce towards 1.1350/70 area where the pair is expected to meet selling pressure, looking for a downside target of 1.1265.

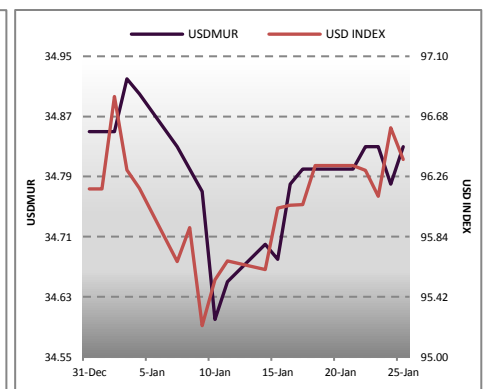
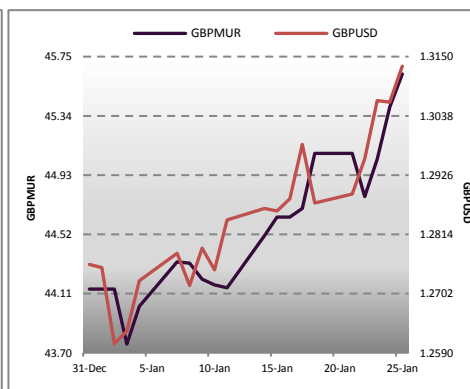
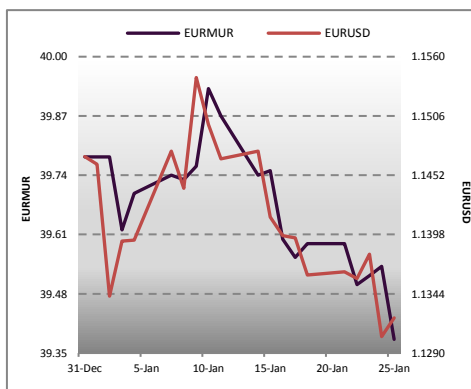
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.99	(0.01)	24.95	(0.01)
CNYMUR	5.00	0.02	5.26	0.02
EURMUR	38.23	(0.16)	39.38	(0.16)
JPYMUR	30.59	(0.03)	31.81	(0.03)
ZARMUR	2.44	0.03	2.56	0.03
USDMUR	33.93	0.05	34.83	0.05
GBPMUR	44.30	0.22	45.63	0.23

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.00	24.01	24.04	25.00	25.06	25.19
EURMUR	38.34	38.55	38.89	39.51	39.79	40.25
ZARMUR	2.43	2.41	2.38	2.55	2.54	2.52
USDMUR	33.95	33.96	33.98	34.87	34.94	35.04
GBPMUR	44.38	44.54	44.77	45.74	45.97	46.33



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7095	0.7113	0.7077	0.7102
EURUSD	1.1304	1.1328	1.1298	1.1326
GBPUSD	1.3063	1.3139	1.3057	1.3135
USDJPY	109.63	109.86	109.52	109.79
USDCHE	0.9965	0.9970	0.9951	0.9956
USDCNH	6.79	6.80	6.77	6.78

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	24,575.62	(0.09)
S&P 500	2,642.33	0.14
FTSE 100	6,818.95	(0.35)
DAX	11,130.18	0.53
CAC 40	4,871.96	0.65
NIKKEI 225	20,805.87	1.12
HANGSENG	27,483.95	1.34

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
24-Jan	12 45	EU	ECB Interest Rate Decision	-	0.0%	0.0%	0.0%
24-Jan	13 30	US	Initial Jobless Claims	Jan	199K	220K	212K
25-Jan	-	CH	World Economic Forum - Davos	-	-	-	-

**News**

> Treasury yields retreated on Thursday, following the decline of European bond yields to multiyear lows, after the European Central Bank President Mario Draghi underlined the growing risks to the Eurozone economy's prospects.

> The European Central Bank concluded its first policy meeting of the year and announced that it would keep interest rates unchanged. The central bank had ended its program of monthly asset purchases in December, but it pledged to keep intact the size of its crisis-era balance sheet by reinvesting the proceeds from maturing bonds.

> The German 10-year government bond yield dropped 5.4 basis points to 0.123 percent, around its lowest levels in nearly two years, while the 10-year US Treasury yield fell by 4.1 basis points to 2.714 percent.

> The Bank of Mauritius will issue the 364-Day Government of Mauritius Treasury Bills for a nominal amount of Mur 900 Mio as well as 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	3.00	-
2M	3.10	-
3M	3.20	3.05
4M	3.30	-
6M	3.40	3.25
8M	3.45	-
10M	3.50	-
1Y	3.56	3.41

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

**Local Secondary Market T-Bonds**

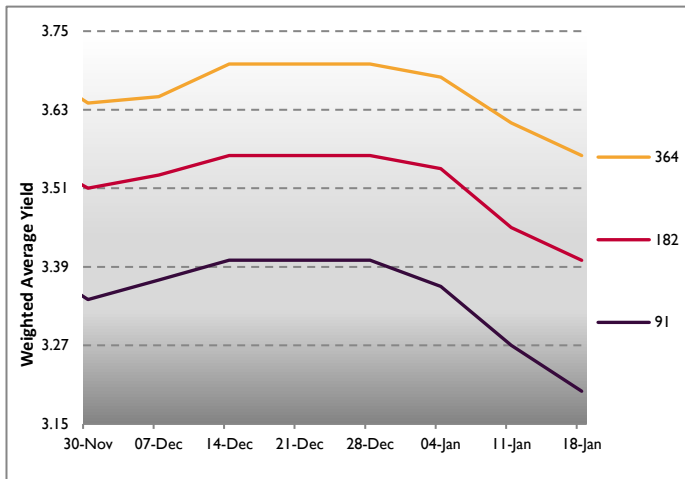
	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.40	4.20
4 Year	4.75	4.55
5 Year	4.95	4.70
10 Year	5.50	5.25
15 year	6.13	5.88
20 Year	6.20	5.95

**Key Central Bank Rates**

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.00 - 2.25
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.50	1.50

**Government Benchmark Yields (%)**

	2 Year	5 Year
US Bonds	2.5791	2.565
UK Bonds	0.762	0.911
German Bonds	-0.575	-0.344

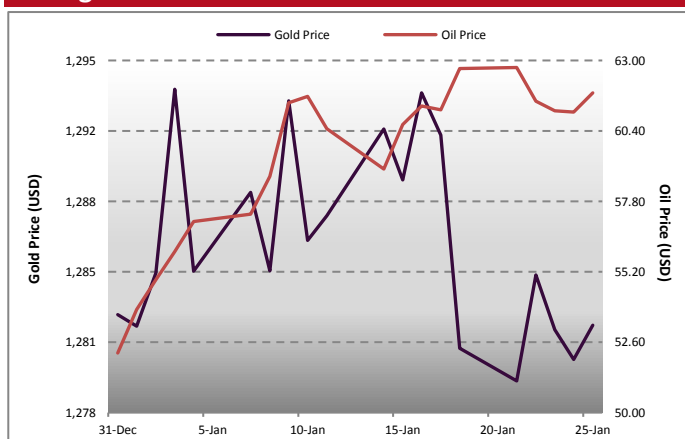
**Local Treasury Bills Market**

**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.442	-0.420	-0.326	-0.290
USD	2.410	2.502	2.765	2.850
GBP	0.704	0.733	0.926	1.043
EURIBOR	-0.376	-0.368	-0.308	-0.237

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.220	0.101	0.342	0.669
USD LIBOR - 3m	2.712	2.646	2.640	2.761

\*Pay fixed and receive floating swap

**COMMODITIES**
**Rolling Gold & Oil Prices**


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

**News**

> Oil prices traded slightly higher overnight as turmoil in Venezuela triggered concerns that its oil exports could soon be disrupted further to sanctions threats by the US. The oil market is however likely to remain well supplied as record US production would likely offset any short-term disruptions to the Venezuelan supply.

> The yellow metal slumped to its lowest level for 2019, touching USD 1,275 an ounce yesterday, as a firmer US dollar dampened demand for the commodity. Prices recovered later in the session to trade again above the USD 1,280 level following the ECB meeting and its President Draghi press conference.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	61.55	0.15	61.82	0.73
Gold (\$)	1,282.46	1.90	1,279.10	(4.00)