

FOREIGN EXCHANGE MARKET

News

> The US dollar edged lower against most peers amid cautious mood ahead of US GDP for the fourth quarter on Thursday and next week Federal Reserve monetary policy meeting.

> EUR/USD rallied beyond 1.0900 backed by survey data supporting the view that the eurozone economy was faring well despite intense price pressures and on bets that the ECB will continue to raise interest rates further.

> GBP/USD surrendered 1.2400 and fell as low as 1.2260 on Tuesday after data showed economic activity weakened further in January, underlining the risk that Britain could slip into a recession in 2023.

> AUD/USD jumped above 0.7100 for the first time in five months this morning after the release of a strong Aussie inflation report.

> Against the Japanese Yen, the US dollar traded to a near 1-week high before going down 0.44% to 130.095 yen. Last week, the dollar dropped down to as low as 127.215 yen, its weakest since May, ahead of Bank of Japan policy review which in the end remained unchanged. The next Bank of Japan meeting is scheduled for March 9-10.

> The Canadian dollar was little changed against its US counterpart on Tuesday as investors await a Bank of Canada interest rate decision this Wednesday.

> South African rand crippled against the US dollar on Tuesday since investors are looking forward central bank decision on monetary policy later this week.

> The USD/MUR maintains the upwards pattern, opening at MUR 44.40/USD this morning. With the single currency trading close to the 1.0900 handle, the EUR/MUR opens at MUR 48.64/EUR.

Daily Technical View

EUR/USD – The single currency recovered 65 pips to test 1.09 area, extending bullish channel on ECB's optimism for interest rates. Resistance is drawn at 1.0940 and support at 1.0835 for the intraday trading.

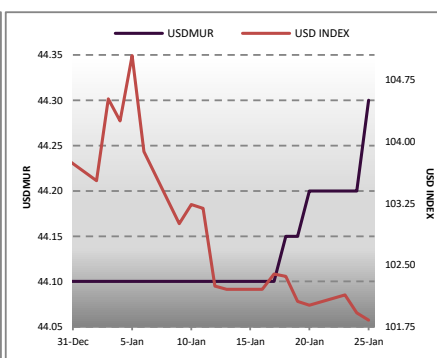
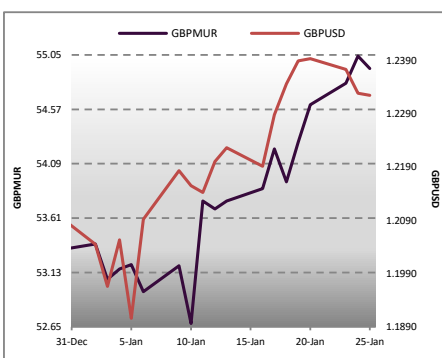
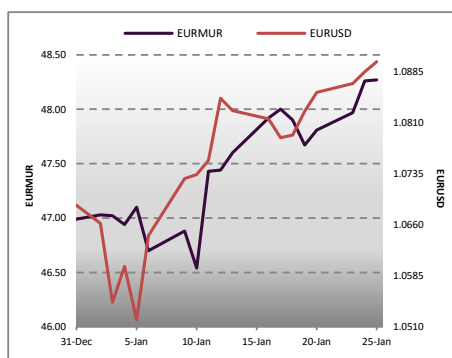
Market Highlights

Indicative Spot Rates

| | Bid | | Offer | |
|--------|-------|--------------|-------|--------------|
| | Today | Change (Rs.) | Today | Change (Rs.) |
| AUDMUR | 30.74 | 0.39 | 32.25 | 0.41 |
| CNYMUR | 6.41 | 0.02 | 6.74 | 0.02 |
| EURMUR | 47.22 | 0.36 | 48.64 | 0.37 |
| JPYMUR | 33.01 | 0.05 | 34.76 | 0.05 |
| ZARMUR | 2.49 | 0.01 | 2.65 | 0.01 |
| USDMUR | 43.50 | 0.10 | 44.40 | 0.10 |
| GBPMUR | 53.39 | 0.06 | 54.99 | 0.06 |

Indicative Forward Rates

| | Bid | | | Offer | | |
|--------|-------|-------|-------|-------|-------|-------|
| | 1m | 3m | 6m | 1m | 3m | 6m |
| AUDMUR | 30.72 | 30.69 | 30.62 | 32.26 | 32.27 | 32.31 |
| EURMUR | 47.24 | 47.26 | 47.20 | 48.70 | 48.82 | 48.93 |
| ZARMUR | 2.48 | 2.46 | 2.43 | 2.64 | 2.63 | 2.61 |
| USDMUR | 43.43 | 43.27 | 43.01 | 44.36 | 44.30 | 44.24 |
| GBPMUR | 53.34 | 53.25 | 53.14 | 54.99 | 55.01 | 55.08 |



Previous Day Trading Levels

| | Previous Day Trading Levels | | | Today |
|--------|-----------------------------|--------|--------|--------|
| | Opening | High | Low | Latest |
| AUDUSD | 0.7045 | 0.7119 | 0.7033 | 0.7117 |
| EURUSD | 1.0880 | 1.0911 | 1.0882 | 1.0904 |
| GBPUSD | 1.2332 | 1.2337 | 1.2313 | 1.2328 |
| USDJPY | 130.16 | 130.58 | 130.05 | 130.40 |
| USDCHF | 0.9227 | 0.9233 | 0.9218 | 0.9231 |
| USDCNH | 6.78 | 6.79 | 6.77 | 6.77 |

Major Indices

| | Value at Close | Day Change % |
|------------|----------------|--------------|
| DOW JONES | 33,629.56 | 0.31 |
| S&P 500 | 8,562.87 | (0.07) |
| FTSE 100 | 7,757.36 | (0.35) |
| DAX | 15,093.11 | (0.70) |
| CAC 40 | 7,050.48 | 0.26 |
| NIKKEI 225 | 27,299.19 | 1.46 |
| HANGSENG | 22,044.65 | 1.82 |

Major Economic Releases (at GMT)

| Date | Time | Country | Event | Period | Actual | Expected | Prior |
|--------|-------|---------|-----------------------|--------|--------|----------|-------|
| 24-Jan | 15 00 | EU | Consumer Confidence | Jan | -20.9 | -22.5 | -22.2 |
| 24-Jan | 08 30 | DE | S&P Manufacturing PMI | Jan | 47 | -49.6 | -49.0 |
| 24-Jan | 21 45 | NZ | Consumer Price Index | Q4 | 7.20% | 7.1% | 7.2% |
| 25-Jan | 00 30 | AU | Consumer Price Index | Q4 | 1.90% | 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 were lower in choppy trading on Tuesday, as investors looked to next week Federal Reserve policy meeting that is widely expected to deliver a smaller 25 basis-point rate increase.

> The yield on 10-year Treasury notes declined by about six basis points on Tuesday to 3.465 percent while US 30-year Treasury bond yields were down seven bps to 3.619 percent.

> US two-year note yields fell by about eight basis points after the auction to close at 4.212 percent, down about three bps from Monday.

> Tomorrow, the Bank of Mauritius will hold the auction for 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 500 Mio.

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 |

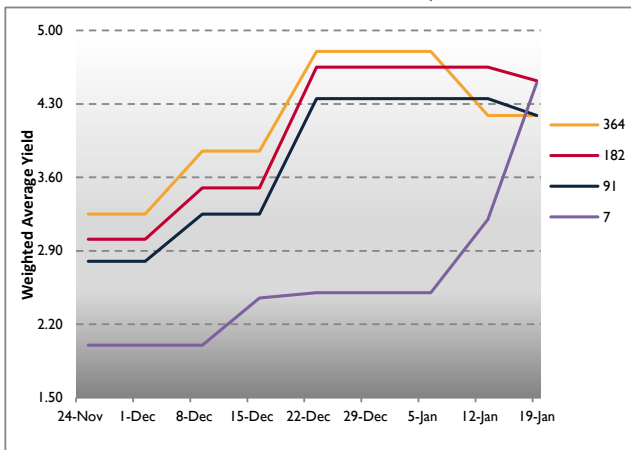
Key Central Bank Rates

| | 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 | 4.1599 | 3.587 |
| UK Bonds | 3.366 | 3.188 |
| German Bonds | 2.553 | 2.193 |

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

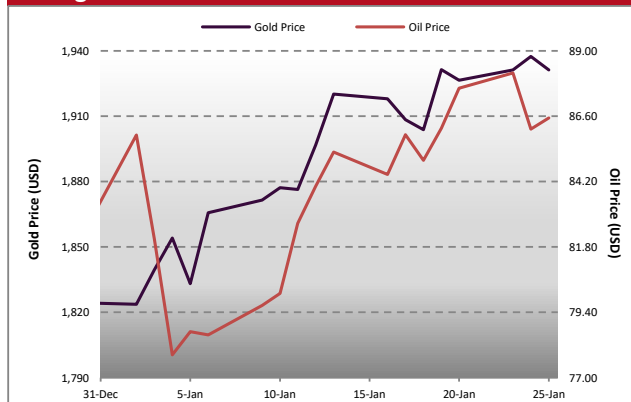
Indicative Generic Swap Rates* (%)

| Tenor | 2yr | 5yr | 7yr | 10yr |
|----------------|-------|-------|-------|-------|
| EURIBOR - 3m | 3.151 | 2.784 | 2.731 | 2.761 |
| USD LIBOR - 3m | 4.456 | 3.628 | 3.487 | 3.432 |

* Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

> Crude oil prices rose on Wednesday on hopes of demand recovery in top importer China.

> Gold prices steadied near a nine-month high on Wednesday as fears of a looming recession kept safe haven demand high.

Spot Market

| | Today | Change (\$) |
|----------------------|----------|-------------|
| Brent Crude Oil (\$) | 86.12 | (2.46) |
| Gold (\$) | 1,931.61 | (5.85) |