

FOREIGN EXCHANGE MARKET

News

- > The US dollar remains firmly in the bullish territory, with the dollar index surging towards the 97 figure, after a batch of US data hinted at stubbornly high inflationary pressures and the latest FOMC minutes confirmed a hawkish bias.
- > US economic figures revealed GDP grew 2.1 percent quarter-on-quarter in the third quarter and that 199,000 initial jobless claims were filed throughout the week while markets will be closed today in the US for Thanksgiving holiday.
- > EUR/USD dipped to a fresh 16-month low of 1.1186 on Wednesday, hit by a strong dollar, poor local economic data and the resurgent spread of coronavirus in Europe.
- > GBP/USD stays pressured around yearly low of 1.3320 as demand for the greenback persists amid positive US economic figures and hawkish FOMC minutes.
- > USD/JPY edged up to a near five-year peak of 115.51 on Wednesday as investors bet on interest rates rising more quickly in the United States than in other major economies such as Japan.
- > AUD/USD remains sidelined after dropping to a fresh eight-week low of 0.7183 the previous day.
- > USD/CAD slid from daily tops around 1.2700 after the Fed unveiled the last FOMC meeting minutes, which showed that some participants would like to adjust the QE's taper pace and raise rates sooner than anticipated if inflation runs hot.
- > The Rand was trading close to the key level of 16.00 against the strong US dollar yesterday, before steadying at around 15.90, with focus on global drivers such as bets on US Fed moves and volatility in the Turkish lira.
- > The USD/MUR maintains the MUR 43.50/USD level on the offer, while the EUR/MUR at MUR 48.96/EUR this morning, with the single currency trading close to 1.1200.

Daily Technical View

EUR/USD - Yesterday the EUR slid to a fresh year low of 1.1187 against the USD on a combination of hawkish FOMC minutes, upbeat US data showing that jobless claims fell below 200,000 figure and a rise in core PCE Index, the US Federal Reserve preferred inflation gauge. In Asia this morning the single currency has recovered to 1.1218 after the market squared up ahead of today's Thanksgiving Holiday. Intra-day support at 1.1140/70 area needs to hold for hope of a relief rally towards 1.1290/1.1340 levels.

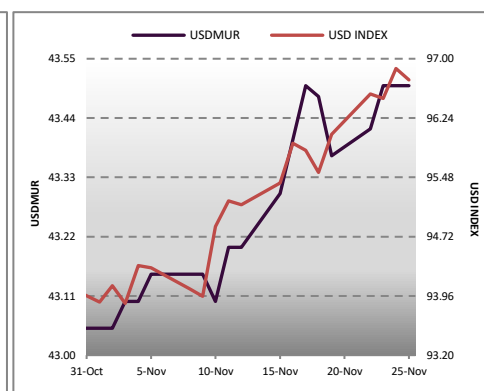
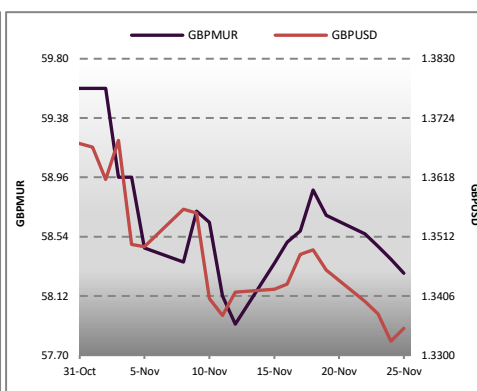
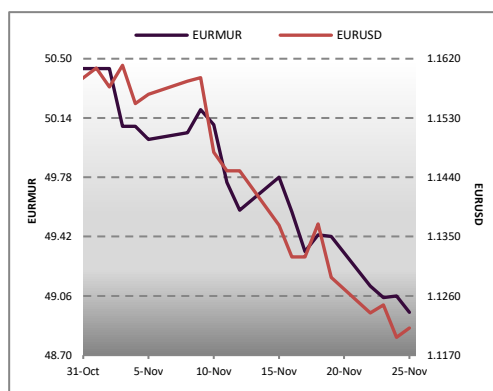
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.53	(0.01)	31.75	(0.01)
CNYMUR	6.65	-	6.99	-
EURMUR	47.53	(0.10)	48.96	(0.10)
JPYMUR	36.56	(0.11)	38.02	(0.12)
ZARMUR	2.64	-	2.81	-
USDMUR	42.60	-	43.50	-
GBPMUR	56.58	(0.10)	58.28	(0.10)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.52	30.50	30.46	31.77	31.83	31.92
EURMUR	47.52	47.51	47.47	49.02	49.15	49.39
ZARMUR	2.62	2.59	2.53	2.81	2.80	2.79
USDMUR	42.58	42.53	42.44	43.53	43.59	43.74
GBPMUR	56.57	56.54	56.38	58.32	58.42	58.53



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7195	0.7209	0.7193	0.7204
EURUSD	1.1196	1.1218	1.1200	1.1214
GBPUSD	1.3324	1.3352	1.3326	1.3351
USDJPY	115.40	115.45	115.31	115.41
USDCHF	0.9337	0.9351	0.9334	0.9337
USDCNH	6.39	6.40	6.39	6.39

Major Indices

	Value at Close	Day Change %
DOW JONES	35,813.80	(0.03)
S&P 500	4,701.46	0.23
FTSE 100	7,286.32	0.27
DAX	15,878.39	(0.37)
CAC 40	7,042.23	(0.03)
NIKKEI 225	29,524.14	0.76
HANGSENG	24,709.84	0.10

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
24-Nov	13 30	US	Durable Goods Orders	Oct	-0.5%	0.2%	-0.4%
24-Nov	13 30	US	GDP Annualized PREL	Q3	2.1%	2.2%	2.0%
25-Nov	07 00	DE	GDP w.d.a. (YoY)	Q3	-	2.5%	2.5%
26-Nov	00 30	AU	Retail Sales s.a. (MoM)	Oct	-	2.5%	1.3%

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

- > The two-year US Treasury yield posted its longest streak of rises in more than a month yesterday, as investors digested the latest reading on US inflation and assessed the need for tighter monetary policy by the Federal Reserve.
- > Data released on Wednesday showed that the Federal Reserve preferred PCE inflation gauge soared at the fastest pace in 31 years. The 12-month increase in the core rate of the government's personal consumption expenditure price index moved up in October to 4.1 percent from 3.7 percent, the highest level since December 1990.
- > Data also showed that the US economy grew at a revised 2.1 percent annual rate in the third quarter. Consumer spending and private inventory investment mostly accounted for the upward revision from 2.0 percent.
- > The 2-year US Treasury note yield gained 3.8 basis points to 0.644 percent, while the 10-year Treasury note yield dropped 2.1 basis points to 1.644 percent. The long bond eased to 1.969 percent, giving away 5.3 basis points yesterday.
- > The result of the Three-Year Government of Mauritius Treasury Notes was as follows: out of 14 bids received, only 4 were successful, with the weighted average yield published at 2.28 percent and the bid to cover ratio at 2.6.
- > Tomorrow, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury bills for a nominal amount of MUR 800 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

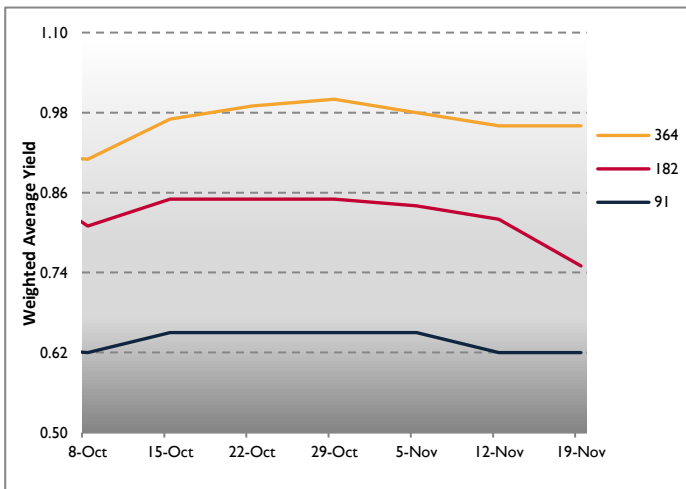
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Local Secondary Market T-Bonds		
	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.75	2.55
5 Year	3.05	2.80
10 Year	4.35	4.10
15 year	4.60	4.35
20 Year	4.85	4.60

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	0.6437	1.346
UK Bonds	0.6	0.76
German Bonds	-0.733	-0.551

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.586	-0.579	-0.585	-0.548
USD	0.078	0.092	0.178	0.252
GBP	0.037	0.067	0.118	0.305
EURIBOR	-0.581	-0.570	-0.572	-0.533

* LIBOR rates delayed by 48 hours. Source: ICE

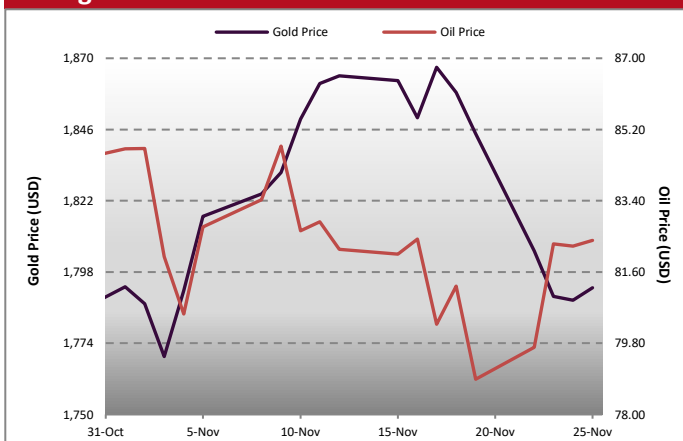
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.369	-0.097	0.024	0.211
USD LIBOR - 3m	0.888	1.451	1.593	1.692

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

- > The US administration's plan to coordinate a strategic petroleum reserve release from major importers in an effort to increase supply fell short of expectations and saw oil prices rise. Attention is now turning to how OPEC+ will respond to the move by the US.
- > US crude stockpiles, meanwhile, rose by 1 million barrels last week, the fourth weekly increase, according to data from the Energy Information Administration
- > Gold was up on Thursday morning in Asia, but kept below the USD 1,800 mark, as minutes from the US Federal Reserve's latest meeting suggest that the central bank could accelerate asset tapering.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	84.40	(0.13)
Gold (\$)	1,793.20	4.70