

FOREIGN EXCHANGE MARKET

News

- > The greenback rallied against its peers on Monday due to rising global stock market and rising US Treasury yields while investors await the FOMC minutes to be released on Thursday.
- > The EUR/USD retreated to 1.1324 from a high of 1.1383 after the release of disappointing German IFO data and dovish comments by ECB Mario Draghi President of the European Central Bank who acknowledged the slowdown in economic activity but stated that the ECB remains on course to dial back its bond buying stimulus.
- > Although price opened higher to 1.2880 after approval of EU Brexit deal on Sunday, the GBP/USD fell to a low of 1.2796 on US dollar strength.
- > The USD/JPY rallied to 113.65 on rising US Treasury yields and equities. The yen remains weak due to the divergence in monetary policy between the Fed and the Bank of Japan while the Fed is on a monetary tightening path, the BOJ remains committed to its ultra-loose monetary policy due to low growth and inflation.
- > The Australian dollar weakened to 0.7215 against the US dollar as rising trade tensions dampened investor sentiment in Asian trade.
- > The rand weakened to 13.92 against the greenback ahead of the release of South Africa business confidence later today.
- > The Majors remain subdued against the Rupee this morning, as the market is gearing up for the upcoming FOMC minutes due out of the US on Thursday.

Daily Technical View

EUR/USD-The EUR rallied to a session high of 1.1383 against the USD before disappointing German IFO data and dovish comments by ECB's Draghi put a lid on the upside. We opened near the overnight low of 1.1324 in Asia this morning and it looks like that the 1.1300 level will be tested soon, a breach yielding downside targets at 1.1215/50 while on the upside 1.1375 and 1.1430 levels are expected to cap counter-trend rallies.

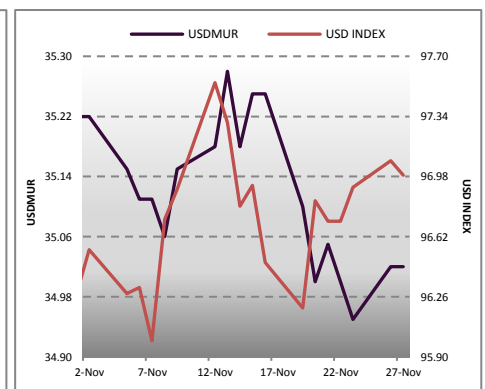
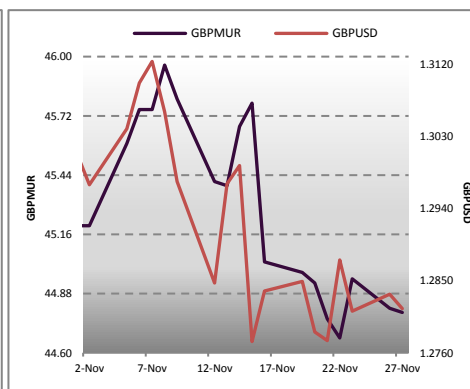
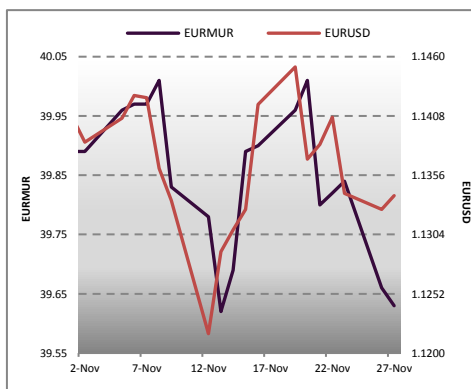
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.53	(0.06)	25.51	(0.06)
CNYMUR	4.91	-	5.16	-
EURMUR	38.48	(0.02)	39.63	(0.03)
JPYMUR	29.75	(0.09)	30.94	(0.09)
ZARMUR	2.42	(0.01)	2.54	(0.01)
USDMUR	34.12	-	35.02	-
GBPMUR	43.49	(0.01)	44.79	(0.02)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.54	24.55	24.58	25.56	25.62	25.76
EURMUR	38.59	38.81	39.15	39.77	40.05	40.50
ZARMUR	2.41	2.40	2.36	2.53	2.52	2.50
USDMUR	34.14	34.15	34.17	35.06	35.13	35.23
GBPMUR	43.57	43.72	43.96	44.90	45.12	45.48



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7220	0.7237	0.7214	0.7237
EURUSD	1.1326	1.1342	1.1325	1.1338
GBPUSD	1.2833	1.2834	1.2805	1.2817
USDJPY	113.57	113.59	113.42	113.49
USDCHE	0.9983	0.9988	0.9976	0.9984
USDCNH	6.95	6.95	6.94	6.94

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,285.95	1.46
S&P 500	2,673.45	1.55
FTSE 100	7,036.00	1.20
DAX	11,354.72	1.45
CAC 40	4,994.98	0.97
NIKKEI 225	21,984.95	0.79
HANGSENG	26,371.43	(0.02)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
28-Nov	13 30	US	Gross Domestic Product Annualized	Q3	-	3.5%	3.5%
28-Nov	13 30	US	Core Personal Consumption Expenditures	Q3	-	1.6%	1.6%
29-Nov	13 30	US	Initial Jobless Claims	Nov	-	219K	224K
29-Nov	19 00	US	FOMC Minutes	-	-	-	-

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

- > Treasury prices fell slightly on Monday, pushing yields higher, after a rally in risk assets sapped demand for haven assets like government paper ahead of a week of speeches by senior Federal Reserve officials.
- > The 10-year Treasury note yield was up 2.5 basis points to 3.070, its biggest one-day rise since November 2.

- > The 2-year note yield sensitive to shifting expectations for Fed interest rates, picked up 2.3 basis points to 2.837 percent, while the 30-year bond yield added 1.5 basis points to 3.320 percent.
- > The 10-year Italian government bond yield fell 14.5 basis points to 3.269 percent.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.20	-
2M	3.30	-
3M	3.41	3.26
4M	3.49	-
6M	3.58	3.43
8M	3.62	-
10M	3.66	-
1Y	3.71	3.57

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.50	4.30
4 Year	4.75	4.55
5 Year	5.05	4.80
10 Year	5.50	5.25
15 year	5.95	5.70
20 Year	6.20	5.95

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.00 - 2.25	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	2.8309	2.887
UK Bonds	0.771	0.976
German Bonds	-0.6422	-0.230

Money Market Rates

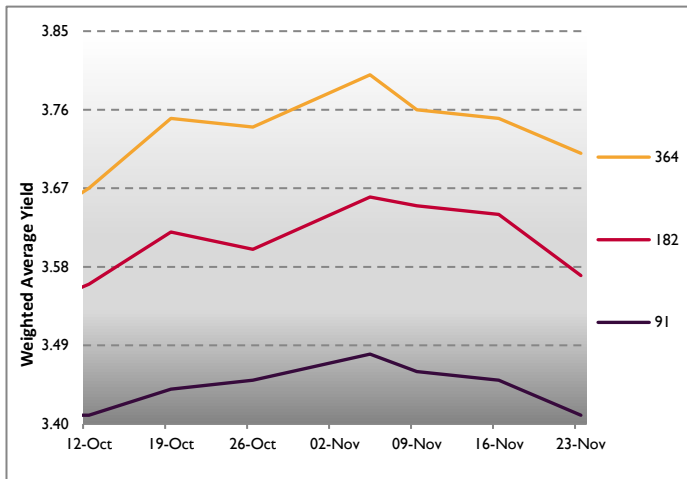
LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.440	-0.413	-0.358	-0.329
USD	2.219	2.337	2.707	2.893
GBP	0.711	0.736	0.892	1.003
EURIBOR	-0.376	-0.369	-0.316	-0.257

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.185	0.255	0.527	0.862
USD LIBOR - 3m	3.004	3.033	3.055	3.116

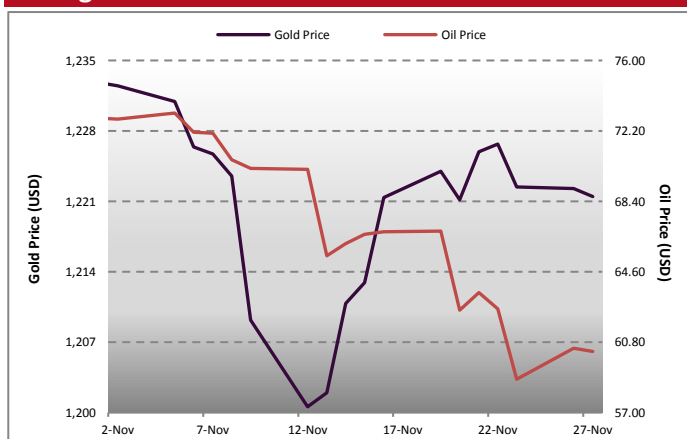
*Pay fixed and receive floating swap

Local Treasury Bills Market



COMMODITIES

Rolling Gold & Oil Prices



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News

- > Gold prices traded slightly lower this morning as traders are in a wait-and-see mode prior to the two events this week, Jerome Powell speech tomorrow and release of the Fed minutes on the following day, which shall provide some directions to the market.
- > Oil prices remained fragile, after Saudi Arabia oil production hit record highs in November, 11.3 million barrels per day, while traders await the outcome of the G20 meeting.
- > The oil market is on a slippery slope, having lost almost a third of its value since start of October, weighed down by an emerging supply and widespread financial market weakness.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	59.31	2.47	60.35	(0.13)
Gold (\$)	1,222.01	(0.27)	1,222.00	1.80