

FOREIGN EXCHANGE MARKET

News

- > The US dollar bounced back from a three-week low yesterday, as market participants grew prudent about the US trade talks with China after the US Trade Representative Mr. Lighthizer stated that it was too early to predict an outcome in the talks. The dollar index against a basket of six major rivals last traded a shade lower at 96.085. It had edged up nearly 0.2 percent for the first time in four days overnight, after brushing a three-week low of 95.883 earlier in that session.
- > The UK pound rallies as traders continue to bet that the UK looked more likely to avoid a disorderly Brexit after Theresa May outlined Parliament voting options on the terms of the country's departure from the EU. GBP/USD rose above USD 1.33 for the first time in seven months.
- > AUD/USD first rose to 0.7165 on quarterly Private Capital Expenditure but then dropped on disappointing NBS Manufacturing PMI from China.
- > The commodity-sensitive loonie is underpinned by a strong upsurge in crude oil prices, ahead of Fed Chair Powell's second appearance before Congress.
- > The greenback strengthened against the Japanese Yen, touching a daily high of 111.03 yesterday amid higher US bonds yields and on reaction to a rebound in equity prices in Wall Street. The pair however failed to keep above the 111.0 level and is trading at 110.88 as of writing.
- > The Rand weakened in yesterday's session as risk demand in global markets was soured by an escalation in tensions between India and Pakistan, prompting investors to flee into safe haven assets.
- > The Pound Sterling opens 16 cents higher this morning, while the USD opens at the same level as yesterday, ahead of the US GDP data expected later today.

Daily Technical View

EUR/USD - In Asia this morning the EUR rally versus the USD is stalling near the 100 DMA technical resistance level (1.1385) after a brief foray above 1.1400 level yesterday was rejected on news that a sweeping trade deal between US and China was unlikely at this stage. Intra-day it looks like that we may see a retracement towards support at 1.1340 level before another attempt higher at 1.1400/40 resistance area.

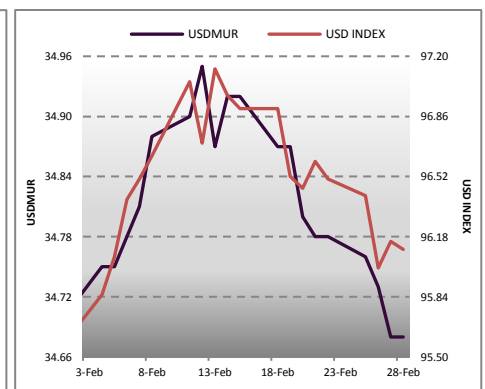
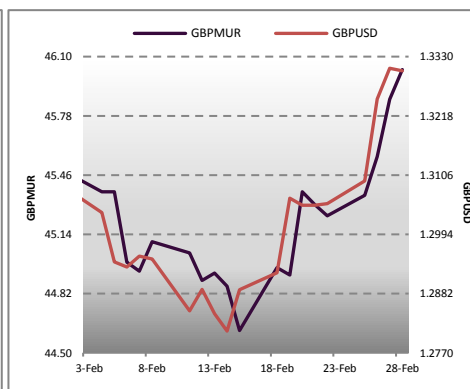
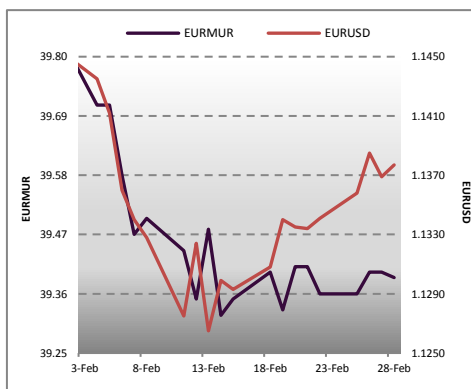
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.01	(0.13)	24.97	(0.14)
CNYMUR	5.05	0.01	5.31	0.01
EURMUR	38.24	(0.01)	39.39	(0.01)
JPYMUR	30.16	(0.08)	31.37	(0.08)
ZARMUR	2.39	(0.01)	2.51	(0.01)
USDMUR	33.78	-	34.68	-
GBPMUR	44.69	0.16	46.03	0.16

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.01	24.02	24.04	25.00	25.07	25.19
EURMUR	38.34	38.53	38.84	39.51	39.77	40.20
ZARMUR	2.38	2.36	2.33	2.50	2.49	2.47
USDMUR	33.78	33.77	33.78	34.70	34.75	34.84
GBPMUR	44.76	44.89	45.10	46.13	46.33	46.67



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7138	0.7166	0.7130	0.7146
EURUSD	1.1370	1.1385	1.1366	1.1375
GBPUSD	1.3308	1.3324	1.3296	1.3304
USDJPY	110.98	111.00	110.83	110.88
USDCHE	1.0013	1.0017	0.9986	0.9990
USDCNH	6.68	6.68	6.68	6.68

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	26,057.98	(0.28)
S&P 500	2,792.38	(0.05)
FTSE 100	7,107.20	(0.61)
DAX	11,487.33	(0.46)
CAC 40	5,225.35	(0.26)
NIKKEI 225	21,479.17	(0.36)
HANGSENG	28,810.20	0.18

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
28-Feb	13 30	US	Gross Domestic Product Annualized	Q4	-	2.4%	3.4%
01-Mar	10 00	EU	Consumer Price Index - Core (YoY)	Feb	-	-	1.1%
01-Mar	13 30	US	Retail Sales ex Autos (MoM)	Jan	-	-	-1.8%
01-Mar	15 00	US	ISM Manufacturing PMI	Feb	-	56.2	56.6

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

- > Long-dated US Treasury yields jumped by the most in weeks yesterday as a confluence of factors, both locally and abroad, drove selling in government paper.
- > Fixed-income traders partly attributed Wednesday's moves to new debt hitting the market, weighing on outstanding bonds, as well as rising crude-oil prices.
- > Selling in bonds also coincided with sharp moves in European debt, which some analysts pegged more to technical than fundamental factors. Meaning that investors may be repositioning themselves for trading in the days to come, as opposed to selling because of signs of ebbing risk factors.
- > The yield on the 10-year US Treasury note gained 5.8 basis points to 2.693 percent, marking the steepest climb since February 1, while the two-year Treasury note yield added 2.2 basis points to 2.506 percent.
- > Tomorrow, the Bank of Mauritius will publish the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 1,000 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	3.07	-
2M	3.17	-
3M	3.28	3.13
4M	3.39	-
6M	3.50	3.35
8M	3.54	-
10M	3.59	-
1Y	3.63	3.48

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.95	3.75
3 year	4.15	3.95
4 Year	4.45	4.25
5 Year	4.90	4.65
10 Year	5.50	5.25
15 year	6.05	5.80
20 Year	6.20	5.95

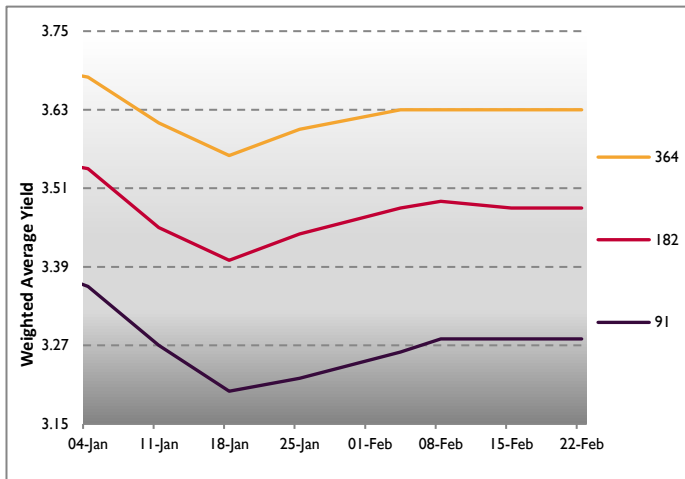
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.25 - 2.50
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	2.4879	2.467
UK Bonds	0.84	1.005
German Bonds	-0.543	-0.337

Local Treasury Bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.444	-0.410	-0.337	-0.298
USD	2.414	2.489	2.626	2.685
GBP	0.695	0.729	0.855	0.990
EURIBOR	-0.373	-0.368	-0.310	-0.230

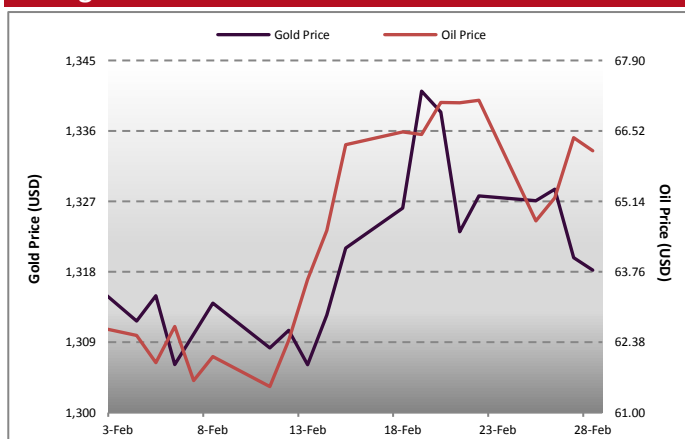
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.218	0.080	0.297	0.612
USD LIBOR - 3m	2.568	2.523	2.570	2.670

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices have been pressured on both sides of the market as weakening factory output in China and Japan coupled with surging US crude output, which hit a record of 12.1 million barrels per day, dragged prices lower. The commodity remained however well supported by supply cuts led by producer club OPEC and a slump in domestic US crude inventories as reported by the EIA.
- > The range-bound, tight moves in gold reached an end yesterday as the precious metal fell sharply, settling USD 8.69 lower overnight after Lighthizer, President Trump's top trade negotiator, hinted in a speech at a Congressional hearing that a trade deal with China could be tough.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	65.51	0.45	66.13	(0.26)
Gold (\$)	1,318.80	(1.00)	1,317.70	(7.40)