

FOREIGN EXCHANGE MARKET

News

- > The EUR/USD surged above the 1.1400 level on expectation of a shift in monetary policy in the US while this Monday the ECB President Mario Draghi, will testify about the economy and monetary policy before the European Parliament Economic and Monetary Affairs Committee.
- > The greenback fell across the board on Friday after US President Donald Trump announced a tentative agreement with lawmakers to end a partial US government shutdown for three weeks while investors will be focusing on the Federal Reserve first meeting of the year, as well as an expected update on US fourth quarter growth and the Non-Farm Payrolls report for January scheduled for Friday.
- > The GBP/USD pair advanced beyond the 1.3200 level, its highest since last October while the UK Parliament will discuss on Tuesday another series of amendments to try achieving an orderly Brexit.
- > The USD/JPY retreated sharply to 109.40 on USD broad-based weakness.
- > The AUD/USD pair bounced from a three-week low of 0.7075 hit on Friday and is currently trading above the 0.72 level underpinned by a rise in gold prices.
- > The Canadian dollar rallied to a two-week high against its broadly weaker US counterpart on Friday as oil prices rose and a deal to end the US government shutdown helped boost stocks.
- > The Bank of Mauritius intervened on the domestic foreign exchange market on Friday and purchased a total amount of USD 10 Mio at the rate of MUR 34.50 per USD.
- > The USD opens 5 cents higher this morning against the local currency, with the Euro also trading higher by 40 cents against the Rupee.

Daily Technical View

EUR/USD - Despite news of a deal to end the US government shutdown the dollar weakened to 1.1425 against the EUR as the pair's inability to break below the fresh year low of 1.1290 led to a take-profit bounce ahead of this week FOMC meeting. The current recovery may extend to the 100 DMA technical resistance currently at 1.1450, with a break targeting 1.1500/50 area, whereas on the downside 1.1340 is the level to hold on pull-back.

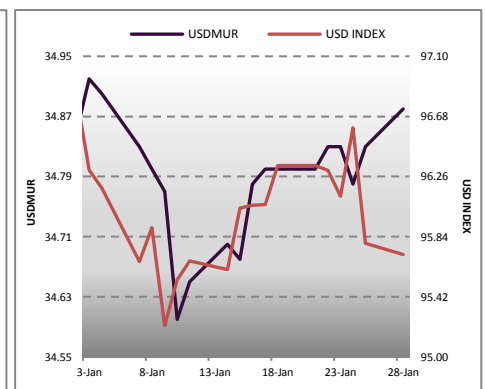
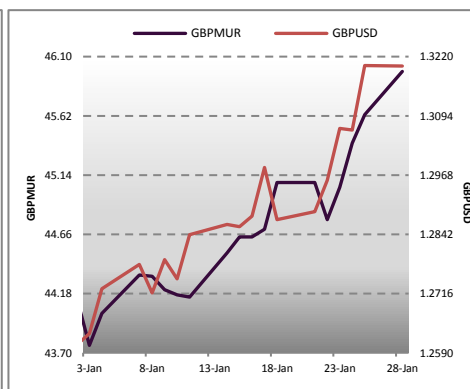
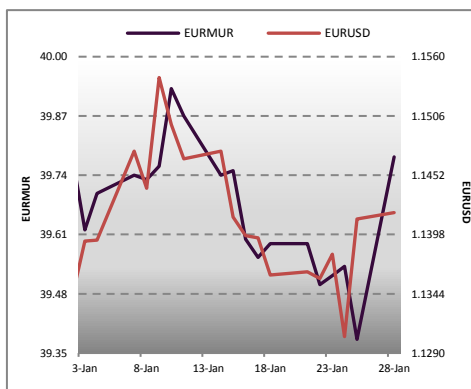
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.35	0.36	25.32	0.37
CNYMUR	5.03	0.03	5.29	0.03
EURMUR	38.62	0.39	39.78	0.40
JPYMUR	30.75	0.16	31.98	0.17
ZARMUR	2.46	0.02	2.58	0.02
USDMUR	33.98	0.05	34.88	0.05
GBPMUR	44.64	0.34	45.98	0.35

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.35	24.36	24.38	25.36	25.42	25.54
EURMUR	38.72	38.92	39.23	39.90	40.16	40.59
ZARMUR	2.45	2.43	2.40	2.57	2.56	2.54
USDMUR	33.98	33.97	33.98	34.90	34.95	35.04
GBPMUR	44.71	44.84	45.05	46.08	46.28	46.61



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7184	0.7203	0.7169	0.7204
EURUSD	1.1404	1.1426	1.1401	1.1421
GBPUSD	1.3193	1.3212	1.3178	1.3203
USDJPY	109.51	109.59	109.27	109.39
USDCHE	0.9930	0.9932	0.9918	0.9921
USDCNH	6.75	6.76	6.74	6.74

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,553.24	0.75
S&P 500	2,664.76	0.85
FTSE 100	6,809.22	(0.14)
DAX	11,281.79	1.36
CAC 40	4,925.82	1.11
NIKKEI 225	20,705.33	(0.33)
HANGSENG	27,682.00	0.41

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
29-Jan	-	UK	Parliamentary vote on Brexit Plan B	-	-	-	-
30-Jan	00 30	AU	Consumer Price Index (YoY)	Q4	-	1.7%	1.9%
30-Jan	19 00	US	Fed Interest Rate Decision	-	-	2.5%	2.5%
31-Jan	10 00	EU	Gross Domestic Product s.a.	(YoY)	-	1.2%	1.6%

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

- > Treasury yields rose on Friday after bond investors mostly followed the buoyant tone in equities, while President Donald Trump announced a temporary deal to reopen the government, lifting a source of uncertainty for Wall Street.
- > Yields initially rose on the back of strong momentum in global stock markets. The Shanghai Composite and the Stoxx 600 were both up. The S&P 500 and the Dow Jones Industrial Average rose, sapping demand for haven assets like government paper.
- > Mr. Trump and Congress agreed to legislation that would fund the government for three weeks while negotiations for a southern border wall continue. The deal will end a 36-day partial shutdown, the longest in history.

- > The 10-year US Treasury yield gained 3.9 basis points to 2.753 percent, capping its weeklong rise to 2.9 basis points, while the two-year note yield was up 3.6 basis points to 2.598 percent, curbing its weeklong fall to 1.4 basis points.
- > The result of the 364-Day Government of Mauritius Treasury bills was as follows: out of 8 bids received, 5 were successful with a weighted average yield published at 3.60 percent. As for the 91-Day and 182-Day Bank of Mauritius Treasury Bills, the weighted average yields were published at 3.22 percent and 3.44 percent respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.05	-
2M	3.15	-
3M	3.25	3.10
4M	3.35	-
6M	3.46	3.31
8M	3.50	-
10M	3.55	-
1Y	3.60	3.45

[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	4.95	4.70
10 Year	5.50	5.25
15 year	6.10	5.85
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	2.6002	2.587
UK Bonds	0.8	0.952
German Bonds	-0.579	-0.337

Money Market Rates

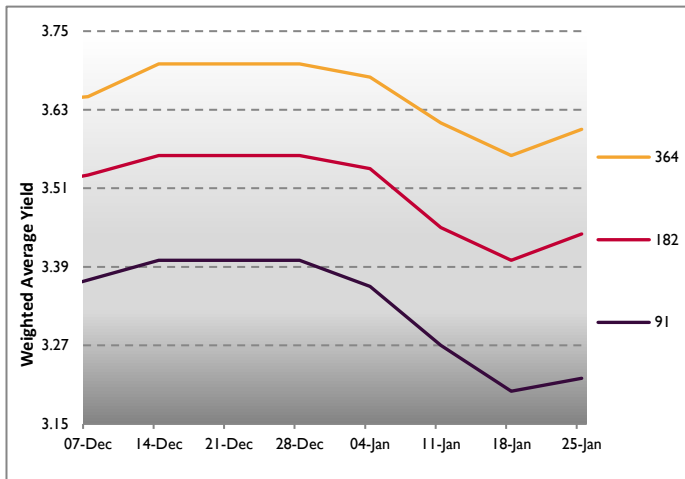
LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.440	-0.420	-0.334	-0.291
USD	2.403	2.500	2.752	2.832
GBP	0.703	0.734	0.919	1.045
EURIBOR	-0.376	-0.368	-0.307	-0.237

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.210	0.100	0.341	0.669
USD LIBOR - 3m	2.720	2.670	2.682	2.778

*Pay fixed and receive floating swap

Local Treasury Bills Market



COMMODITIES

Rolling Gold & Oil Prices



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

- > Crude oil prices posted losses this morning after US energy firms added rigs for the first time this year in a sign that oil supplies from the world's biggest economy are set to rise further. Elsewhere China reported additional signs of an economic slowdown, putting further pressure on oil prices, despite its efforts to stem the slowdown with aggressive fiscal stimulus measures.
- > Gold prices skyrocketed late on Friday, trading above the psychological level of USD 1,300 as expectations that the Fed will not be raising rates anytime soon kept pressure on the US dollar and provided strong support to the commodity.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	61.95	0.41	61.36	(0.28)
Gold (\$)	1,303.87	0.73	1,297.40	18.30