

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended mixed in holiday-thinned North American session as both UK and US markets were closed for holiday.
- > The EUR/USD pair weakened below the 1.1200 level on media reports that the European Commission is likely to start disciplinary steps against Italy as the country rising debt has violated European Union rules.
- > The GBP/USD pair edged lower at around 1.2675 as the pound remained weak on the back of Brexit uncertainty. The UK will publish April BBA Mortgage Approvals and the Inflation Report Hearings later today.
- > The USD/JPY pair reversed a spike to 109.64 highs and hit fresh daily lows at 109.44, as a flight to safety returned and boosted the safe-haven Yen.
- > South African rand weakened slightly on Monday in subdued trading with no economic data and investors awaiting President Cyril Ramaphosa announcement of a new cabinet that will implement his economic reform plans.
- > AUD/USD unmoved by record high iron ore prices in China, most likely due to dovish RBA expectations.
- > USD/CAD was trading in tight range during early Tuesday amid lack of fresh catalysts for the pair.
- > The greenback gains 5 cents against the Mauritian rupee to trade at USDMUR 36.00 on the ask side this morning, while the pound sterling slides to 45.60.

### Daily Technical View

EUR/USD - In a quiet session the EUR drifted to a low of 1.1187 versus the USD, weighed down by 10-Y Bund yields dropping to its lowest level since 2016. Despite futures data showing that the market is holding sizeable USD long positions of USD 31 billion, the short-squeeze in the pair is too shallow to worry the USD bulls. Intra-day a break below 1.1150 will target the year's low at 1.1106 while on the upside 1.1265 level is likely to provide stiff resistance.

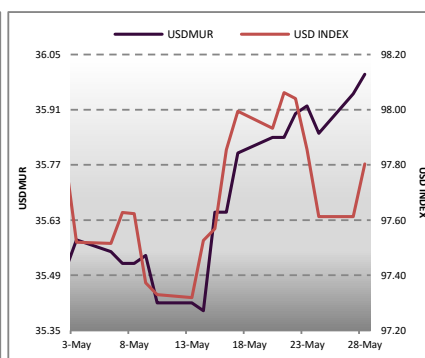
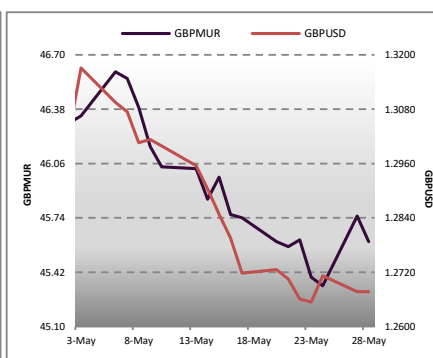
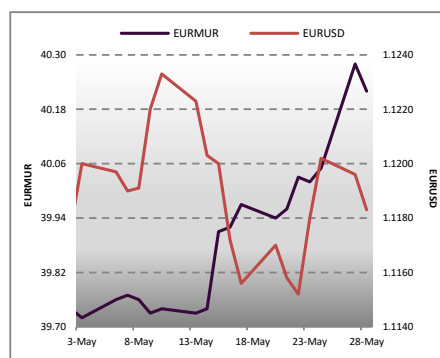
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.19	0.01	25.16	0.01
CNYMUR	5.07	-	5.33	-
EURMUR	39.05	(0.06)	40.22	(0.06)
JPYMUR	31.74	0.04	33.01	0.04
ZARMUR	2.39	(0.01)	2.51	(0.01)
USDMUR	35.10	0.05	36.00	0.05
GBPMUR	44.27	(0.15)	45.60	(0.15)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.21	24.24	24.31	25.21	25.30	25.47
EURMUR	39.14	39.34	39.66	40.34	40.60	41.04
ZARMUR	2.38	2.36	2.33	2.50	2.49	2.47
USDMUR	35.10	35.10	35.13	36.02	36.08	36.20
GBPMUR	44.33	44.47	44.69	45.69	45.90	46.24



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6920	0.6930	0.6918	0.6930
EURUSD	1.1197	1.1202	1.1179	1.1185
GBPUSD	1.2677	1.2683	1.2669	1.2679
USDJPY	109.49	109.62	109.43	109.52
USDCHF	1.0036	1.0049	1.0036	1.0044
USDCNH	6.91	6.92	6.91	6.92

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,490.47	0.37
S&P 500	2,826.06	0.14
FTSE 100	7,277.73	0.65
DAX	12,071.18	0.50
CAC 40	5,336.19	0.37
NIKKEI 225	21,278.03	0.45
HANGSENG	27,455.75	0.61

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
28-May	09 00	EU	Business Climate	May	-	0.49	0.42
29-May	14 00	CA	BoC Interest Rate Decision	May	-	1.75%	1.75%
30-May	12 30	US	Gross Domestic Product Annualized	Q1	-	3.1%	3.2%
30-May	12 30	US	Initial Jobless Claims	May	-	215K	211K

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**

> Asian shares tracked European gains this morning, as relief over EU election results eased concerns about political difficulties in the bloc and merger news supported auto shares, although persistent concerns about trade capped regional sentiment.

> Meanwhile, Japanese government bond prices edged higher during the Asian session, with the market sentiment lifted after a 40-year bond auction attracted ample investor demand.

> The yield on benchmark 10-year German Bunds retreated to -0.147 percent on Monday, its lowest since September 2016.

**Market Highlights**

**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	2.60	-
2M	2.70	-
3M	2.80	2.65
4M	2.90	-
6M	3.00	2.85
8M	3.08	-
10M	3.17	-
1Y	3.25	3.10

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

**Local Secondary Market T-Bonds**

	Bid (%)	Offer (%)
2 year	3.50	3.30
3 year	3.70	3.50
4 Year	4.00	3.80
5 Year	4.50	4.25
10 Year	5.25	5.00
15 year	5.80	5.55
20 Year	6.05	5.80

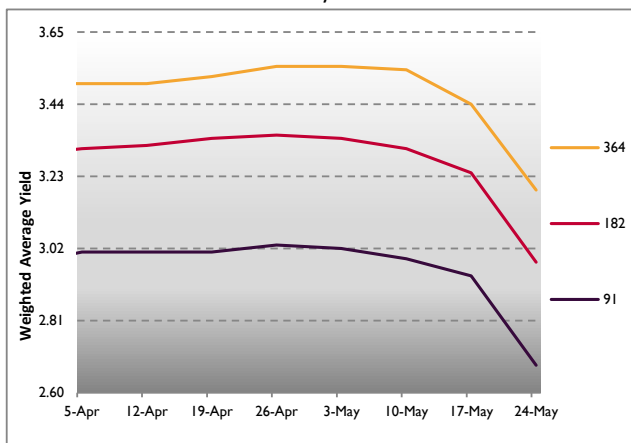
**Key Central Bank Rates**

	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	2.1724	2.117
UK Bonds	0.644	0.708
German Bonds	-0.638	-0.536

**Local Treasury Bills Market**



**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.449	-0.418	-0.359	-0.317
USD	2.397	2.428	2.525	2.549
GBP	0.699	0.730	0.796	0.894
EURIBOR	-0.379	-0.372	-0.311	-0.241

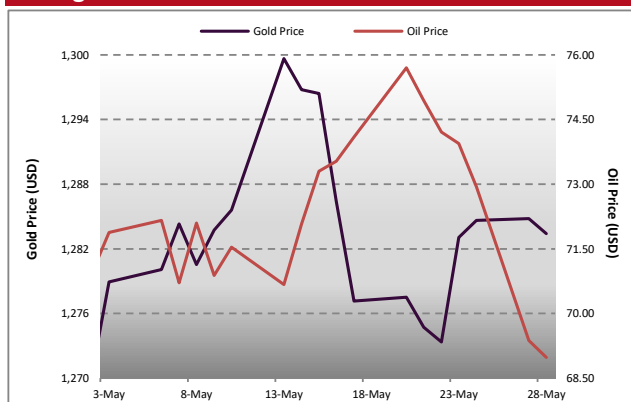
**Indicative Generic Swap Rates\* (%)**

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.322	-0.126	0.052	0.325
USD LIBOR - 3m	2.184	2.114	2.160	2.237

\*Pay fixed and receive floating swap

**COMMODITIES**

**Rolling Gold & Oil Prices**



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**News**

> Gold prices failed to confirm recovery and tumbled overnight despite intensifying trade tensions and weakness in the US dollar. Investors are paying close attention to Brexit developments as well any clues from the Fed Bank on possible future rate cut.

> Crude oil prices were mixed on a holiday-thinned Monday, after the US President Donald Trump said a deal with Iran regarding its nuclear program was possible after weeks of tension in the Middle East.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	68.99	(0.38)	70.21	0.10
Gold (\$)	1,283.67	(1.13)	1,283.00	(1.80)