

FOREIGN EXCHANGE MARKET

News

- > The dollar held near two-week highs on Wednesday after a senior Federal Reserve official reaffirmed the need for further rate increases. A speech by the Fed Chairman Jerome Powell on Wednesday and minutes from the Fed Nov. 7-8 meeting on Thursday will be evaluated for further indications of how many more times the US Central Bank is likely to hike interest rates.
- > The EUR/USD pair dropped to 1.1275 following news that US President Donald Trump might start imposing tariffs on cars imports as soon as next week, to all countries except Canada and Mexico.
- > The GBP/USD weakened to 1.2724 as Brexit disappointment keeps weighing on the pound. This Wednesday, the BOE will release its Financial Stability Report and banks stress tests result, followed by a press conference by Governor Carney.
- > The USD/JPY pair hit 113.83 in the US session, its highest in two weeks on risk aversion and despite the poor performance of equities and yields.
- > South African rand weakened on Tuesday, surrendering earlier gains as risk aversion over trade tensions between China and the US weighed on the currency.
- > The Canadian dollar weakened to its lowest in nearly five months against a broadly firmer greenback on Tuesday, as concern about world trade tensions led to fluctuation in financial markets ahead of the G20 Summit on Friday.
- > The US Dollar gains momentum on the local market, gaining 8 cents against the Rupee, with the US GDP data expected later today.

Daily Technical View

EURUSD lost further ground yesterday amidst suggestions that Trump could impose auto tariffs on European cars. The pair broke through the 1.1300 support level to trade a low of 1.1275. Rallies have been mostly short-lived recently and expect sellers to line up ahead of 1.1330/50 intraday. To the downside, 1.1260/70 is the immediate support while 1.1210/20 remains the key area below.

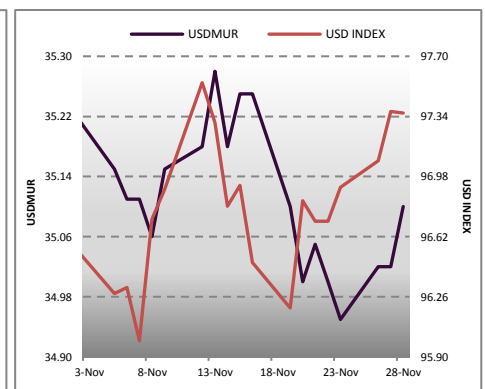
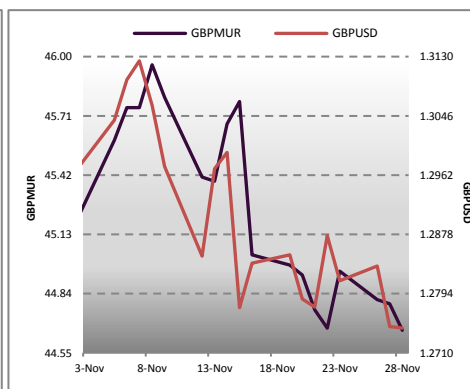
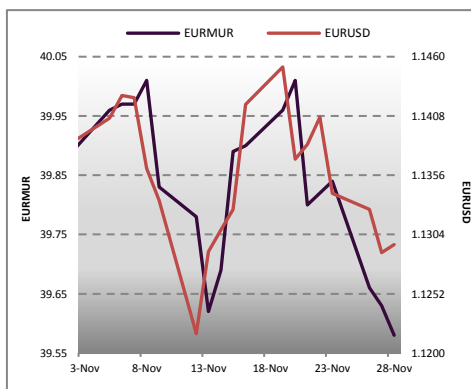
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.62	0.09	25.60	0.09
CNYMUR	4.91	-	5.16	-
EURMUR	38.43	(0.05)	39.58	(0.05)
JPYMUR	29.74	(0.01)	30.93	(0.01)
ZARMUR	2.42	-	2.54	-
USDMUR	34.20	0.08	35.10	0.08
GBPMUR	43.36	(0.13)	44.66	(0.13)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.63	24.64	24.67	25.65	25.71	25.85
EURMUR	38.54	38.76	39.10	39.72	40.00	40.45
ZARMUR	2.41	2.40	2.36	2.53	2.52	2.50
USDMUR	34.22	34.23	34.25	35.14	35.21	35.31
GBPMUR	43.44	43.59	43.82	44.77	44.99	45.35



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7223	0.7237	0.7223	0.7236
EURUSD	1.1290	1.1304	1.1286	1.1296
GBPUSD	1.2745	1.2755	1.2733	1.2748
USDJPY	113.77	113.90	113.74	113.89
USDCHF	0.9986	0.9996	0.9984	0.9993
USDCNH	6.95	6.96	6.95	6.95

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,640.24	0.44
S&P 500	2,682.17	0.33
FTSE 100	7,016.85	(0.27)
DAX	11,309.11	(0.40)
CAC 40	4,983.15	(0.24)
NIKKEI 225	22,169.57	0.99
HANGSENG	26,543.43	0.80

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 yields fell on Tuesday after USD 40 billion of new five-year notes were sold to strong demand and on resurgent worries about US and China trade tensions.
- > The Treasury Department sold new five-year notes on Tuesday afternoon in the biggest auction of this maturity since May 2010.
- > Investors will now turn their attention to Fed Chairman Jerome Powell widely anticipated speech this Wednesday.

- > The 10-year Treasury note yield was down 1.3 basis points to 3.057 percent, while the 2-year note yield declined 0.6 basis point to 2.831 percent.
- > The 30-year bond yield was mostly unchanged.

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	2.835	2.889
UK Bonds	0.771	0.956
German Bonds	-0.6471	-0.239

Money Market Rates

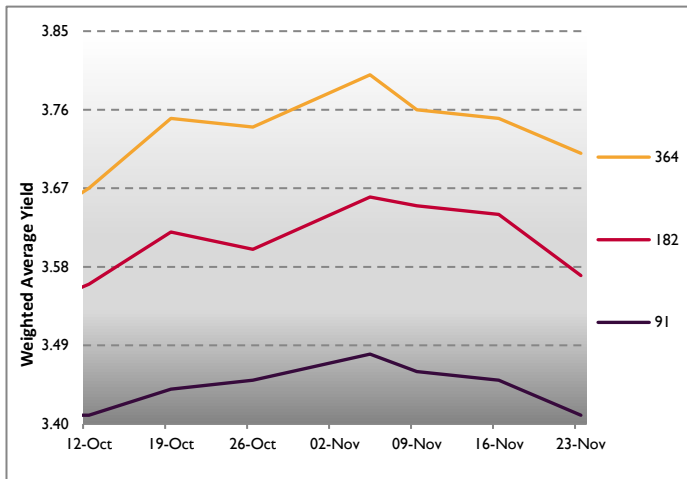
LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.439	-0.413	-0.362	-0.327
USD	2.235	2.349	2.706	2.884
GBP	0.711	0.736	0.892	1.004
EURIBOR	-0.376	-0.368	-0.316	-0.256

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.189	0.252	0.520	0.856
USD LIBOR - 3m	3.010	3.026	3.051	3.110

*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

- > Oil prices rose yesterday amid hopes for decline in US stockpiles as traders turned their attention to weekly data release from the American Petroleum Institute next week.
- > The oil market is however still volatile as there is no clear view if production will be cut or remain steady at the next OPEC meeting.
- > The yellow metal lost more than USD 10.0 overnight and is trading at USD 1,214 at the time of writing, while the market is likely to remain flat today ahead of the Fed minutes and the G20 meeting in the couple of days.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	59.19	(0.11)	60.95	0.74
Gold (\$)	1,214.43	0.12	1,211.20	(9.00)