

FOREIGN EXCHANGE MARKET

News

> Broad-based US dollar strength remained a key theme in the FX market on Thursday and growing acceptance that the Fed would tighten its monetary policy at a faster pace to curb soaring inflation. The greenback seemed rather unaffected by the disappointing release of the US Q1 GDP.

> EUR/USD dropped below the psychological level of 1.0500 as investors remained nervous about Russia cutting off gas supplies to parts of the region for refusing to pay in roubles. However, the pair later managed to climb back above 1.0500 on the back of disappointing US GDP data.

> GBP/USD fell to a fresh 21-month trough at 1.2412 on rally in USD before rebounding to 1.2473 on downbeat US GDP.

> The Japanese yen dropped to a 20-year low and breached 131 per dollar, as investors reacted to the latest interest rate decision by the Bank of Japan.

> AUD/USD recovered slightly during the New York session after hitting its lowest level in nearly three months at 0.7055.

> USD/CAD reversed back from session highs near 1.2900 to trade lower around 1.2800 amid a surge in crude oil prices to their highest levels in more than a week.

> The South African rand weakened on Thursday as the US dollar surged to its highest levels in two decades, propelled by weakness in its major peers.

> The Sweden Central Bank hiked its key interest rate by 25 basis points to 0.25 percent on Thursday.

> USD/MUR ends the week at MUR 43.40/USD while the EUR/MUR opens at 45.91/EUR, as EUR/USD edges above 1.0510 this morning.

Daily Technical View

EUR/USD – The single currency cascaded to a 5-year low at 1.0472 yesterday on the back of broad dollar strength following the Bank of Japan’s dovish announcements on the weak yen. A trend reversal from the bearish structure is highly anticipated, with strong divergence on the Relative Strength Index. Failure to support the Fibonacci level at 1.0419 opens up the way for the pair to test resistance area at 1.0645/55.

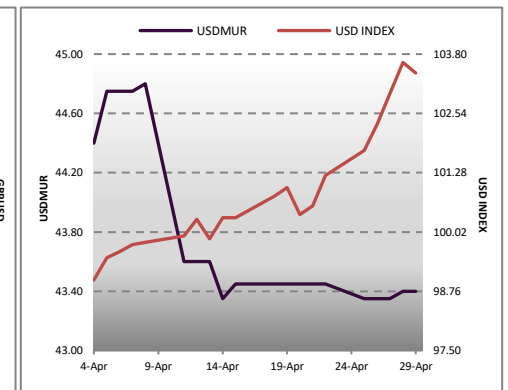
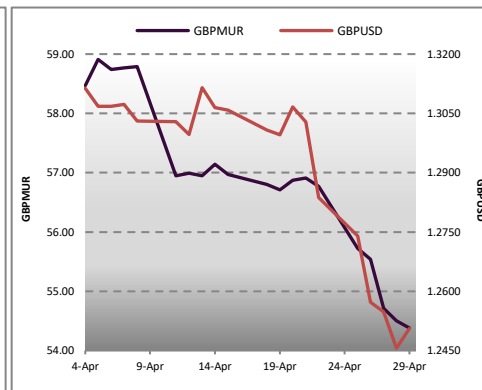
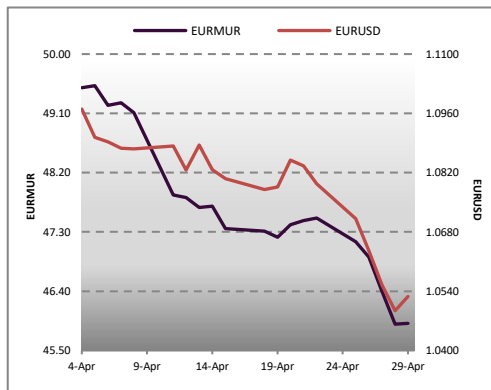
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.16	0.18	31.37	0.19
CNYMUR	6.36	(0.04)	6.69	(0.04)
EURMUR	44.57	0.01	45.91	0.01
JPYMUR	32.21	(0.24)	33.50	(0.25)
ZARMUR	2.61	(0.01)	2.78	(0.01)
USDMUR	42.50	-	43.40	-
GBPMUR	52.80	(0.11)	54.38	(0.12)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.15	30.10	29.93	31.40	31.44	31.43
EURMUR	44.57	44.54	44.49	45.97	46.10	46.30
ZARMUR	2.59	2.56	2.50	2.78	2.78	2.76
USDMUR	42.46	42.34	42.09	43.41	43.41	43.38
GBPMUR	52.76	52.65	52.39	54.39	54.39	54.38



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7093	0.7165	0.7094	0.7146
EURUSD	1.0497	1.0548	1.0492	1.0545
GBPUSD	1.2456	1.2532	1.2451	1.2532
USDJPY	130.85	130.95	130.18	130.37
USDCHF	0.9716	0.9724	0.9697	0.9713
USDCNH	6.66	6.69	6.62	6.62

Major Indices

	Value at Close	Day Change %
DOW JONES	33,301.93	1.85
S&P 500	4,287.50	2.47
FTSE 100	7,509.19	1.13
DAX	13,979.84	1.35
CAC 40	6,508.14	0.98
NIKKEI 225	26,847.90	1.75
HANGSENG	20,957.37	3.36

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
26-Apr	12 30	US	Durable Goods Orders	Mar	0.8%	1.0%	-1.7%
27-Apr	01 30	AU	RBA Trimmed Mean CPI (QoQ)	Q1	1.4%	1.2%	1.0%
28-Apr	12 30	US	GDP Annualized PREL	Q1	-1.4%	1.1%	6.9%
28-Apr	12 30	US	Initial Jobless Claims	Apr	180K	180K	185K

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

> Treasury yields moved higher for a second straight session yesterday, as traders largely brushed aside data showing the US economy contracted for the first time since the pandemic began two years ago.

> The US economy shrank 1.4 percent in the first quarter on an annualized basis, but the decline was mostly due to a record international trade deficit, lower government spending and a decline in inventories. Robust consumer spending and businesses investment signaled the economy was still steadily expanding.

> The yield on the 10-year US Treasury note rose by 4.5 basis points to 2.862 percent, while the 2-year Treasury yield gained 7.1 basis points to trade at 2.648 percent. The yield on the 30-year Treasury bond strengthened by 2.1 basis points to 2.928 percent.

> The year-to-date run-up in Treasury yields comes as investors look for the Federal Reserve to move aggressively to raise interest rates and shrink its balance sheet to rein in inflation running at its highest level in more than four decades.

> Today, the Bank of Mauritius will hold the auction for the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 800 Mio. The Bank will also hold the auction for the 91-1day and 364-Day Bank of Mauritius Bills for a nominal amount of MUR 1,200 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.75	0.60
2M	0.80	0.65
3M	0.85	0.70
4M	0.90	0.75
6M	0.95	0.80
8M	0.98	0.83
10M	1.01	0.86
1Y	1.05	0.90

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.15	1.95
3 year	2.50	2.30
4 Year	2.80	2.60
5 Year	3.10	2.85
10 Year	4.45	4.20
15 year	4.55	4.30
20 Year	4.90	4.65

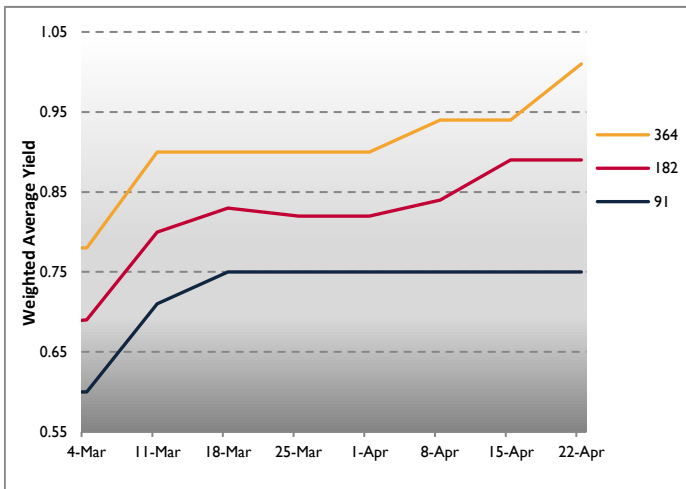
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	2.00	1.85
Fed Funds Rate	0.25 - 0.50	0.00 - 0.25
BoE Bank Rate	0.50	0.25
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.10	0.10

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	2.6395	2.863
UK Bonds	1.551	1.62
German Bonds	0.196	0.625

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.764	1.239	1.826
GBP	-	0.934	1.210	1.660
EURIBOR	-0.569	-0.520	-0.445	-0.251

* LIBOR rates delayed by 48 hours. Source: ICE

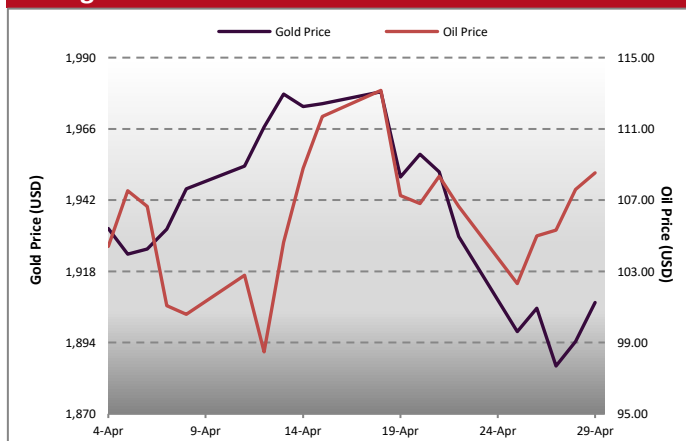
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	0.875	1.319	1.444	1.629
USD LIBOR - 3m	2.944	2.950	2.938	2.935

* Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

> Oil prices edged higher on Thursday, continuing to recover from the lows earlier this week when Brent briefly breached the USD 100 level again, as supply worries overpowered the demand concerns. The war in Ukraine still provides tremendous uncertainty for the crude supply outlook.

> Gold reached USD 2,050 per ounce in early March after Russia's invasion of Ukraine, but has since retraced its gains, falling to under USD 1,900 per ounce this week. The bullion is attempting a recovery from two-month lows of USD 1,872 to trade back above the USD 1900 level this morning during the Asian session as worrying US economic data rekindled some interest in the safe-haven metal.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	103.56	2.31
Gold (\$)	#N/A	#N/A