

FOREIGN EXCHANGE MARKET

News

- > The dollar tumbled from two-week highs on Wednesday after Federal Reserve Chairman Jerome Powell indicated that interest rates are just below neutral, raising expectations that the US Central Bank is closer to the end of its rate hike cycle.
- > The plunge in the dollar fuelled a surge in both the pound and euro.
- > The EUR/USD erased weekly losses and reached the strongest level in two days and hit 1.1387 boosted by a sharp slide of the US dollar across the board.
- > GBP/USD rose to 1.2814 even as Bank of England Governor Mark Carney warned that a disorderly exit from the European Union would pressure the UK economy into a far worse recession than that experienced after the global financial crisis of 2008.
- > The AUD/USD rebounded to 0.7320, its highest in over a week backed by soaring equities and metals.
- > The USD/JPY pair briefly surged above the 114.00 level on Wednesday before retreating to 113.53 on US dollar weakness.
- > South African rand weakened against the dollar on Wednesday amid fear that the US and China trade tension would not be resolved at an upcoming G20 summit.
- > The Canadian dollar rallied against its broadly weaker US counterpart on Wednesday, rebounding from an earlier five-month low on comments from Federal Reserve Chairman Jerome Powell.
- > The US Dollar sees a 10-cent drop against the Rupee, ahead of FOMC Minutes due later today.

Daily Technical View

EUR/USD- Yesterday the EUR rallied sharply to 1.1387 against the USD after Fed's Chairman Powell said that US rates were near neutral level. As we still have the FOMC minutes this evening and the Trump/Xi meeting at the G-20 event tomorrow, we expect the market to tread cautiously, with a bullish bias in the pair. Intra-day support at 1.1320/40 needs to hold for an upside move towards 1.1430/75 resistance levels.

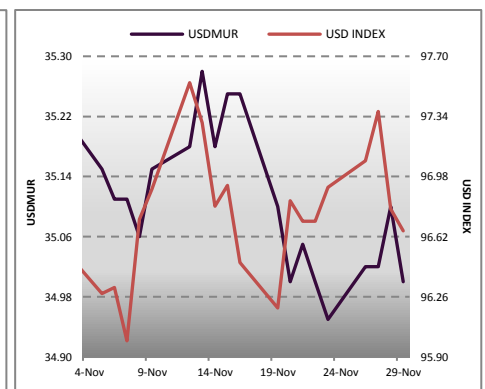
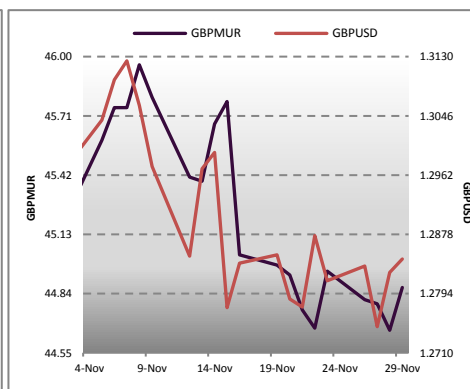
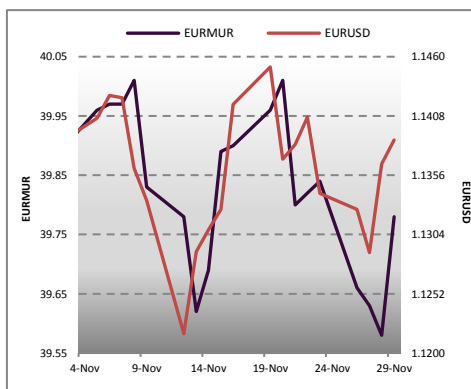
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.80	0.18	25.79	0.19
CNYMUR	4.91	-	5.16	-
EURMUR	38.62	0.19	39.78	0.20
JPYMUR	29.80	0.06	30.99	0.06
ZARMUR	2.44	0.02	2.56	0.02
USDMUR	34.10	(0.10)	35.00	(0.10)
GBPMUR	43.56	0.20	44.87	0.21

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.81	24.82	24.85	25.84	25.90	26.04
EURMUR	38.73	38.95	39.29	39.92	40.20	40.66
ZARMUR	2.43	2.41	2.38	2.55	2.54	2.52
USDMUR	34.12	34.13	34.15	35.04	35.11	35.21
GBPMUR	43.64	43.79	44.03	44.98	45.20	45.56



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7304	0.7318	0.7295	0.7316
EURUSD	1.1365	1.1392	1.1361	1.1390
GBPUSD	1.2822	1.2850	1.2819	1.2847
USDJPY	113.68	113.68	113.24	113.28
USDCHF	0.9937	0.9943	0.9918	0.9925
USDCNH	6.94	6.95	6.93	6.93

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,748.73	2.50
S&P 500	2,743.79	2.30
FTSE 100	7,004.52	(0.18)
DAX	11,298.88	(0.09)
CAC 40	4,983.24	0.00
NIKKEI 225	22,331.11	0.66
HANGSENG	26,646.86	(0.13)

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%	3.5%
28-Nov	13 30	US	Core Personal Consumption Expenditures	Q3	1.5%	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

- > Asian markets edged higher this morning following an overnight jump on Wall Street after investors interpreted comments from Federal Reserve chairman Jay Powell as a signal that the Central Bank would slow its programme of raising interest rates.
- > US Treasury yields dipped after Mr. Powell stated that the US policy rates were "just below" neutral, less than two months after declaring that rates were probably "a long way" from that point.
- > The US two-year Treasury yield extended a modest decline to 2.796 percent, while 10-year US Treasuries inched down 2 basis points to 3.044 per cent.

- > Tomorrow, the Bank of Mauritius will issue the 364-Day Government of Mauritius Treasury Bills for a nominal value of Mur 800 Mio.
- > The Bank of Mauritius will also issue the 91-Day and the 182-Day Bank of Mauritius Treasury Bills for a nominal amount of Mur 1,200 Mio.

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

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Local Secondary Market T-Bonds

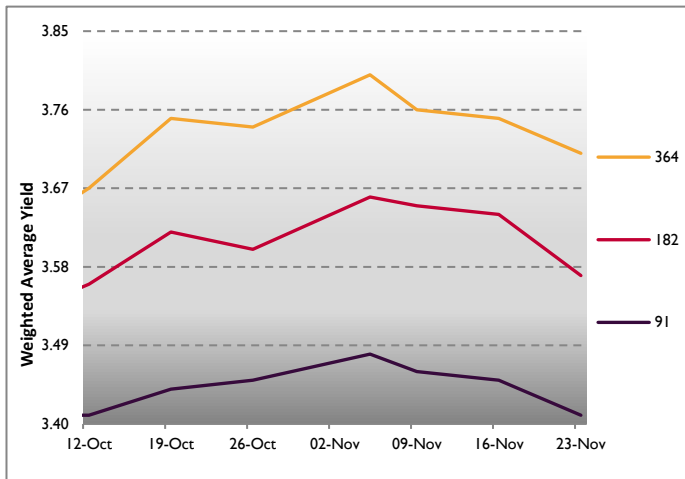
	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.50	4.30
4 Year	4.75	4.55
5 Year	5.05	4.80
10 Year	5.50	5.25
15 year	5.95	5.70
20 Year	6.20	5.95

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	2.7884	2.835
UK Bonds	0.757	0.942
German Bonds	-0.579	-0.233

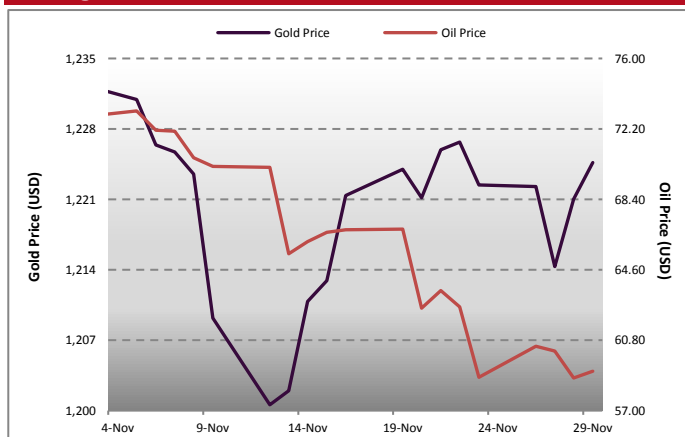
Local Treasury Bills Market

Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.440	-0.414	-0.363	-0.326
USD	2.225	2.345	2.707	2.887
GBP	0.711	0.736	0.894	1.004
EURIBOR	-0.376	-0.369	-0.316	-0.256

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.192	0.253	0.524	0.863
USD LIBOR - 3m	2.970	2.983	2.969	3.070

*Pay fixed and receive floating swap

COMMODITIES
Rolling Gold & Oil Prices


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Source: MCB Treasury, Reuters, Bloomberg, Bank of Mauritius

News

- > Oil prices initially rose yesterday, on the dovish speech by the Fed Chief Powell, before tumbling under the selling pressure triggered by the release of US crude data which rose by 3.58 million barrels in the week to November 23, well above expectations.
- > The oil market was also supported yesterday on hopes a trade deal could be reached between the US and China tomorrow at the G20 meeting, boosting Beijing's demand for energy.
- > Gold prices jumped overnight and erased yesterday's losses, after a speech from the Fed Chairman Jerome Powell, dampened investors' expectations of a rate hike in December at the next Fed meeting.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	57.58	(1.60)	59.13	0.37
Gold (\$)	1,224.82	3.79	1,224.90	3.50