

## FOREIGN EXCHANGE MARKET

### News

> The dollar slipped from 20-year highs against a basket of currencies on Friday, but posted the best month in seven years as concerns about the global economy and a hawkish Federal Reserve bolstered demand for the greenback.

> It will not be just the Fed meeting this week as the Bank of England and Reserve Bank of Australia will also announce their monetary policy decision. It will be a busy week for jobs data as well, as apart from the all-important US nonfarm payrolls report; Canada and New Zealand will also publish their employment numbers. Moreover, the US will release the April ISM Manufacturing PMI while in Europe the focus will be on the German and EU March retail sales data.

> EUR/USD snapped four days of losses and ended the week above 1.0500 amidst a risk-off mood. The pair weakened to 1.0470 on Thursday, the lowest since January 2017.

> GBP/USD rose to 1.2598, after dropping to 1.2410 on Thursday, the weakest since July 2020. Focus now turns to this week Fed and BoE meetings.

> USD/JPY retreated from two-decade highs on Friday and edged lower to 129.31 as traders booked profits ahead of this week Fed monetary policy meeting.

> AUD/USD plummeted from daily highs near 0.7200 and dropped below 0.7100 as market sentiment turned sour, ahead of a busy week for the Australian and US economic dockets, as both countries Central Banks will hold monetary policy meetings.

> The Canadian dollar weakened against its US counterpart on Friday, extending its monthly decline as investors await Canada PMI data this Monday.

> South African rand recovered some ground early on Friday after a two-week slump while the US dollar eased on global markets.

> USD/MUR opens at MUR 43.40/USD, while the EUR/MUR opens at MUR 45.97/EUR, with the single currency trading above 1.0510 this morning.

### Daily Technical View

EUR/USD – The single currency bounced back from 5-year low after depreciating for six consecutive days to sit at 1.0520 as US Fed week kicked in. A breakout above key resistance at 1.0575 may place the focus on the bullish bias with target at Fibonacci level at 1.0620, while immediate resistance is holding around confluent area at 1.0472/85.

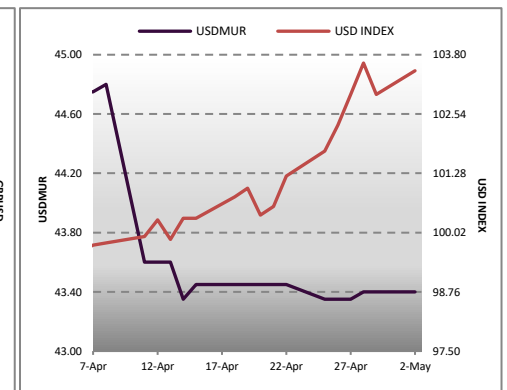
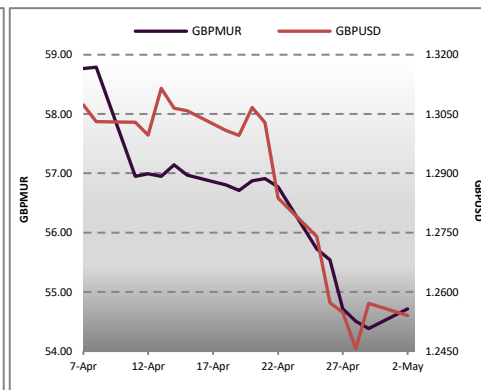
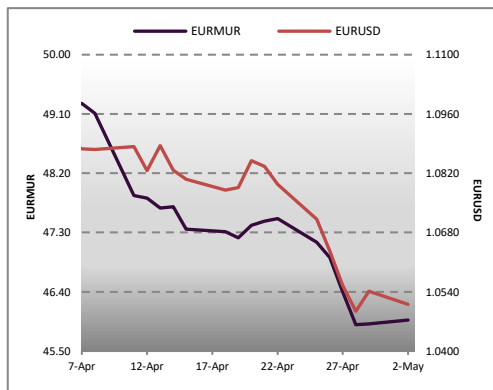
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.82	(0.34)	31.01	(0.36)
CNYMUR	6.35	(0.01)	6.68	(0.01)
EURMUR	44.63	0.06	45.97	0.06
JPYMUR	32.30	0.09	33.59	0.09
ZARMUR	2.63	0.02	2.80	0.02
USDMUR	42.50	-	43.40	-
GBPMUR	53.12	0.32	54.71	0.33

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.81	29.76	29.59	31.04	31.08	31.07
EURMUR	44.63	44.60	44.55	46.03	46.16	46.36
ZARMUR	2.61	2.58	2.52	2.80	2.80	2.78
USDMUR	42.46	42.34	42.09	43.41	43.41	43.38
GBPMUR	53.08	52.97	52.71	54.72	54.72	54.71



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7061	0.7082	0.7033	0.7045
EURUSD	1.0548	1.0552	1.0511	1.0519
GBPUSD	1.2583	1.2597	1.2541	1.2551
USDJPY	129.77	130.44	129.62	130.41
USDCHE	0.9706	0.9750	0.9710	0.9745
USDCNH	6.64	6.69	6.64	6.69

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	33,916.39	(2.77)
S&P 500	4,131.93	(3.63)
FTSE 100	7,544.55	0.47
DAX	14,097.88	0.84
CAC 40	6,533.77	0.39
NIKKEI 225	26,878.84	0.12
HANGSENG	21,089.39	4.01

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
2-May	14 00	US	ISM Manufacturing PMI	Apr	-	58.0	57.1
3-May	04 30	AU	RBA Interest Rate Decision	-	-	0.25%	0.10%
4-May	14 00	US	ISM Services PMI	Apr	-	59.0	58.3
4-May	18 00	US	Fed Interest Rate Decision	-	-	1.0%	0.5%

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**

> US Treasury yields advanced across the board on Friday, with the 10- and 30-year rates snapping their biggest monthly gains in more than a decade, as a closely watched US inflation gauge surged to 6.6 percent in March.

Meanwhile, the Treasury curve flattened further, with the spread between 2- and 10-year rates shrinking to 19 basis points in a potential sign of renewed concern about the economic outlook.

> Treasury yields have moved up sharply in 2022 as inflation has continued to run hot, with the consumer price index hitting a level last seen more than four decades ago. The US Federal Reserve, which delivered a quarter percentage point interest rate increase in March, is expected to deliver a rare half-point hike to the fed-funds rate when policy makers meet this week.

> The yield on the 10-year Treasury note rose by 2.3 basis points to 2.885 percent, while the 2-year Treasury yield gained 4.8 basis points to trade at 2.696 percent.

> The result of the 182-Day Government of Mauritius Treasury Bills was as follows: out of 7 bids received, only 3 were successful. With the weighted average yield published at 0.92 percent.

> As for the 91-day and the 364-Day Bank of Mauritius Treasury Bills, the weighted average yield were published at 0.75 percent and 1.05 percent respectively.

> The BoM published the Principle interest rates in Mauritius, depicting a rise of 0.09 percent in the weighted average Rupee deposit rate of Banks, while the weighted average Rupee lending rate of banks increased by 0.1 percent for the period February 2022 to March 2022.

**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

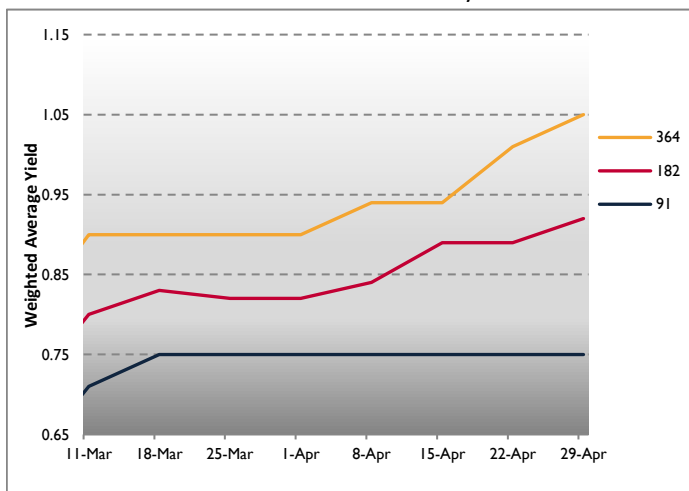
**Key Central Bank Rates**

	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	2.7352	2.970
UK Bonds	1.598	1.679
German Bonds	0.256	0.676

**Auction Results of Treasury Bills**



**Money Market Rates**

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.800	1.286	1.848
GBP	-	0.944	1.207	1.658
EURIBOR	-0.566	-0.538	-0.429	-0.226

\* LIBOR rates delayed by 48 hours. Source: ICE

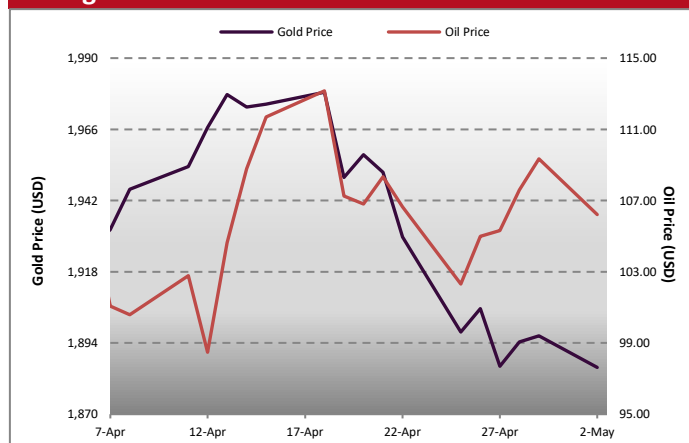
**Indicative Generic Swap Rates\* (%)**

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	0.940	1.379	1.505	1.693
USD LIBOR - 3m	3.046	3.065	3.035	3.029

\* Pay fixed and receive floating swap

**COMMODITIES**

**Rolling Gold & Oil Prices**



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**News**

> Oil markets were volatile on Friday, with prices reversing after US heating oil contract sank on its expiry date. Oil prices maintain their decline this morning on slowing economic growth in China.

> Both Brent and WTI posted their fifth straight monthly gain, with Brent closing the month up 1.3 percent while WTI ended 4.4 percent higher.

> The dollar index retreated on Friday, lifting the precious metal by 1 percent. Gains were however capped by bets of aggressive policy tightening by the US Federal Reserve. This morning, gold prices dipped as US Treasury yields trade higher.

**Spot Market**

	Today	Change (\$)
Brent Crude Oil (\$)	107.29	3.74
Gold (\$)	#N/A	#N/A