

FOREIGN EXCHANGE MARKET

News

- > The US dollar gained some ground over the weekend as new tariffs took effect in both the US and China, marking the next step in their ongoing trade dispute while this Monday, the US and Canada celebrate Labour Day, with no data scheduled.
- > The single currency tumbled to a 27-month low of 1.0961 against the US dollar on Friday after European data released throughout the day weighed on the shared currency, as German Retail Sales fell 2.2 percent in missing the market expectations while the European session will be highlighted by the final versions of August Manufacturing PMI.
- > The GBP/USD pair was flat trading around 1.2160 as the fallout of Prime Minister Boris Johnson decision to suspend Britain Parliament for more than a month started to become apparent while focus today will be on the release of the UK Manufacturing PMI for August.
- > The yen strengthened on Monday on risk appetite as Washington and Beijing put additional tariffs on each other's exports, adding to the gloom hanging over the global economic outlook.
- > The Aussie recovered to 0.6735 against the USD on upbeat Chinese Manufacturing PMI inspired amid the US and China trade escalation and ahead of the RBA rate decision due on Tuesday.
- > The Canadian dollar weakened against its US counterpart on Friday, giving up gains it made after data showing stronger-than-expected GDP growth for the second quarter, as oil prices fell and the greenback broadly rallied.
- > With the strong dollar on the international market, the US dollar starts the week 10 cents higher against MUR while the US market is closed today for Labour Day.

Daily Technical View

EUR/USD - The euro sell-off gained momentum on Friday as Trump's tweet reprimanding the Fed for letting EURUSD drop "like crazy" and month end flows put the euro bears firmly in control. The pair broke through the 1.1030 level to trade a low of 1.0961. Expect some range-bound trading today as US traders are off due to Labour day holiday. 1.1025/40 should cap the upside while 1.0950/60 remains immediate support ahead of 1.0900.

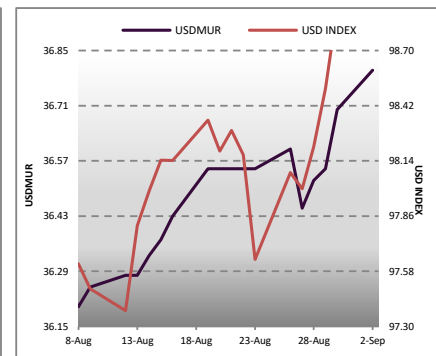
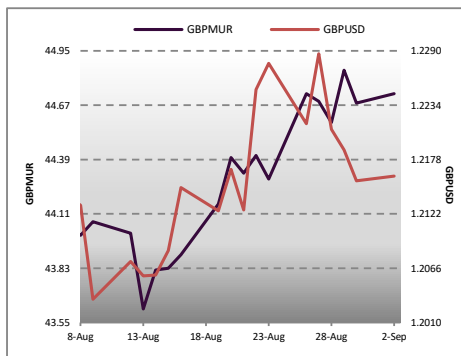
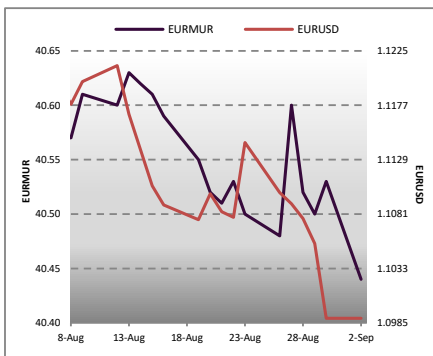
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.03	0.16	24.99	0.17
CNYMUR	5.00	0.04	5.26	0.05
EURMUR	39.26	(0.06)	40.44	(0.06)
JPYMUR	33.48	0.16	34.82	0.17
ZARMUR	2.32	0.04	2.44	0.05
USDMUR	35.90	0.25	36.80	0.25
GBPMUR	43.43	0.15	44.73	0.15

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.05	24.09	24.18	25.04	25.15	25.34
EURMUR	39.35	39.55	39.88	40.56	40.83	41.27
ZARMUR	2.31	2.29	2.26	2.43	2.42	2.40
USDMUR	35.91	35.94	36.03	36.83	36.92	37.10
GBPMUR	43.49	43.63	43.85	44.82	45.03	45.37



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6718	0.6734	0.6715	0.6729
EURUSD	1.0988	1.0998	1.0985	1.0990
GBPUSD	1.2148	1.2166	1.2142	1.2163
USDJPY	106.24	106.25	105.94	106.22
USDCHF	0.9895	0.9909	0.9890	0.9910
USDCNH	7.16	7.18	7.16	7.17

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	26,362.25	0.16
S&P 500	2,926.46	0.06
FTSE 100	7,207.18	0.32
DAX	11,939.28	0.85
CAC 40	5,480.48	0.56
NIKKEI 225	20,634.18	(0.34)
HANGSENG	25,551.02	(0.68)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
30-Aug	09 00	EU	Consumer Price Index - Core (YoY)	Aug	1.0%	1.0%	0.9%
30-Aug	12 30	CA	Gross Domestic Product Annualized	Q2	3.70%	3.0%	0.4%
2-Sep		US	Labour Day				
2-Sep	8:00	EU	Markit Manufacturing PMI	Aug		47	47

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 fell on Friday after investors bought bonds before the end of the month, with a key update on inflation showing price pressures remain muted.
- > The 10-year Treasury note yield fell 1.7 basis points on Friday, extending a month-long drop of 53 basis points, the biggest such move since August 2011.
- > The 30-year bond yield fell 1.7 basis points to 1.968 percent, contributing to a weeklong decline of 5 basis points. While the 2-year note rate was down 2.4 basis points to 1.508 percent. The short-dated note tumbled 38.8 basis points in August, marking its biggest monthly slump since November 2008.
- > During the week ended 30 August 2019, the Central Bank received applications for 182-Day Government of Mauritius Certificates for a total amount of MUR 60.2 Mio at an interest of 3.20 percent.
- > The result of the 364-Day Government of Mauritius Treasury Bills was as follows: out of 8 bids received, 5 bids were successful, with a weighted average yield of 3.32 percent and a bid to cover ratio 2.13.
- > As for the 91-Day and the 182-Day Bank of Mauritius Treasury Bills, the weighted average yield was published at 3.03 percent and 3.24 percent with a bid to cover ratio of 1.80.
- > The Central Bank published the Principal Interest Rate in Mauritius, with a 0.1 percent increase in the weighted average rupee deposit rate of banks and a 0.2 increase in the weighted average rupee lending rate of banks.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.00	-
2M	3.05	-
3M	3.10	2.95
4M	3.20	-
6M	3.30	3.15
8M	3.31	-
10M	3.33	-
1Y	3.35	3.20

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.55	3.35
3 year	3.70	3.50
4 Year	3.90	3.70
5 Year	4.10	3.85
10 Year	4.65	4.40
15 year	5.20	4.95
20 Year	5.85	5.60

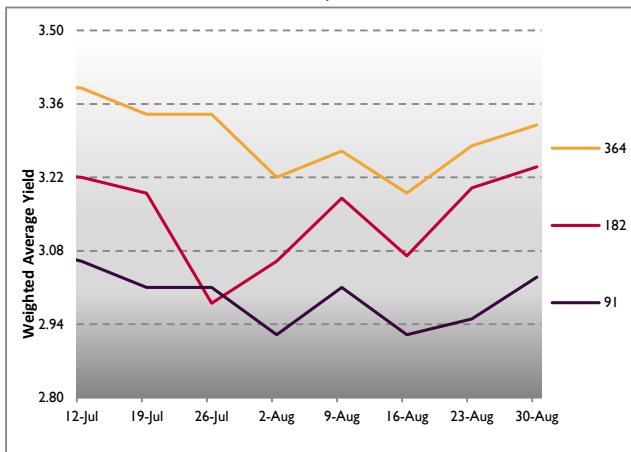
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.35	3.50
Fed Funds Rate	2.00 - 2.25	2.25 - 2.50
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.00	1.00

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	1.51	1.391
UK Bonds	0.381	0.338
German Bonds	-0.922	-0.947

Local Treasury Bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.466	-0.486	-0.473	-0.460
USD	2.137	2.089	2.138	2.037
GBP	0.688	0.708	0.759	0.782
EURIBOR	-0.403	-0.427	-0.433	-0.428

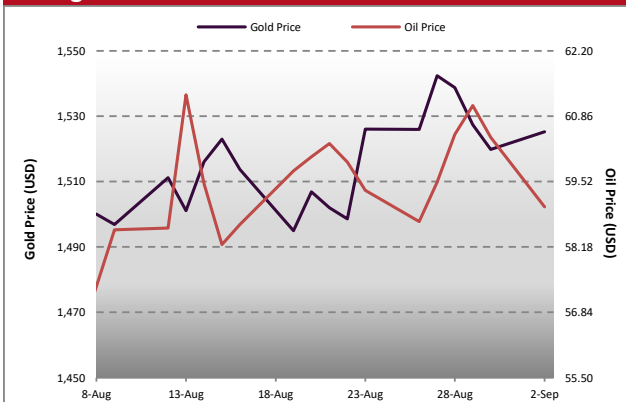
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.628	-0.600	-0.513	-0.344
USD LIBOR - 3m	1.503	1.325	1.347	1.397

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



News

- > Gold prices were marginally higher on Monday morning in Asia as new tariffs kicked in in both the US and China, marking the next step in the ongoing trade dispute between the two largest economies in the world.
- > Oil prices dropped on Monday as new tariffs on both the US and China trade dispute took effect, adding to concerns over an already-gloomy global economic outlook and lower demand for crude.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	61.15	0.46	58.96	(1.47)
Gold (\$)	1,524.70	4.85	1,522.90	3.80

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