

FOREIGN EXCHANGE MARKET

News

- > The greenback ended higher against majority of its peers on Thursday as US and China trade tensions eased after positive comments from China Commerce Ministry who indicated that Beijing and Washington were discussing the next round of face-to-face talks scheduled for September.
- > The euro weakened against the USD trading around 1.1045 weighed down by sluggish euro zone economy and likely monetary easing from the European Central Bank next month.
- > The GBP/USD remained subdued trading below the 1.2200 level on growing worries about a no-deal Brexit at the end of October.
- > The USD/JPY rallied to 106.67 on easing of US-China trade tensions along with rising US Treasury yields and equities.
- > Disappointing Aussie housing data weighed on AUD/USD, taking the pair further south towards 0.6700.
- > The South African rand firmed in afternoon trade on Thursday, supported by an improvement in investors risk appetite on as renewed US and China talks.
- > The US Dollar ends the week at MUR 35.80 on the bid, with a heavy data sheet scheduled for today.

Daily Technical View

EUR/USD - US GDP figures and comments from ECB's Knot saying that no need to resume quantitative easing program and the September meeting exactions were overdue kept the single currency under pressure. Spiking to 1.1090 after the comments bears took control of the market and for today would favor a range of 1.1030 as support and 1.1080 offering resistance on the upside.

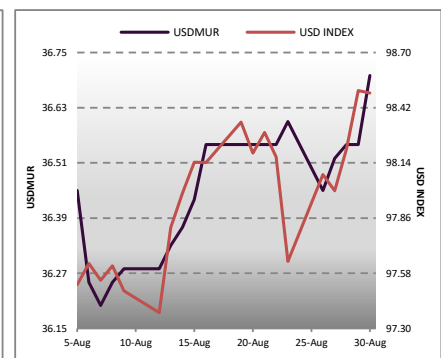
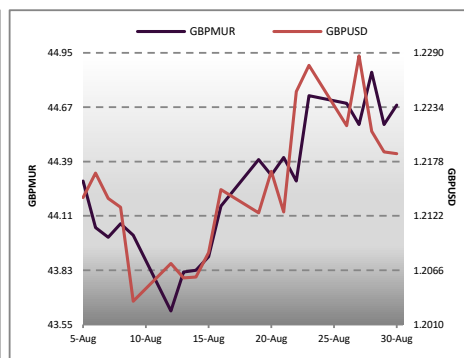
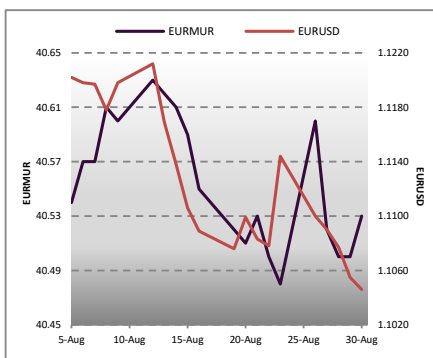
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.92	0.05	24.88	0.06
CNYMUR	5.00	0.04	5.26	0.05
EURMUR	39.35	0.03	40.53	0.03
JPYMUR	33.30	(0.02)	34.63	(0.02)
ZARMUR	2.30	0.02	2.42	0.03
USDMUR	35.80	0.15	36.70	0.15
GBPMUR	43.38	0.10	44.68	0.10

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.94	23.98	24.07	24.93	25.04	25.23
EURMUR	39.44	39.65	39.97	40.65	40.92	41.36
ZARMUR	2.29	2.27	2.24	2.41	2.40	2.38
USDMUR	35.81	35.84	35.93	36.73	36.82	37.00
GBPMUR	43.44	43.58	43.80	44.77	44.97	45.32



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6729	0.6736	0.6707	0.6719
EURUSD	1.1056	1.1060	1.1043	1.1048
GBPUSD	1.2179	1.2190	1.2176	1.2188
USDJPY	106.49	106.54	106.35	106.36
USDCHF	0.9864	0.9881	0.9860	0.9879
USDCNH	7.14	7.16	7.14	7.16

Major Indices

	Value at Close	Day Change %
DOW JONES	26,036.10	1.25
S&P 500	2,924.58	1.27
FTSE 100	7,184.32	0.98
DAX	11,838.88	1.18
CAC 40	5,449.97	1.51
NIKKEI 225	20,717.90	1.26
HANGSENG	25,879.18	0.68

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
29-Aug	12 30	US	Initial Jobless Claims	Aug	215K	215K	209K
29-Aug	12 30	US	Gross Domestic Product Annualized	Q2	2.0%	2.0%	2.1%
30-Aug	09 00	EU	Consumer Price Index - Core (YoY)	Aug	-	1.0%	0.9%
30-Aug	12 30	CA	Gross Domestic Product Annualized	Q2	-	3.0%	0.4%

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 traded higher yesterday after a key auction for government paper struggled to draw appetite from bond investors amid signs that US-China trade tensions may be easing.
- > The bond-market came under pressure after the Chinese Ministry of Commerce spokesperson announced that both the US and China were talking to one another, and that Beijing would not immediately retaliate against President Donald Trump's latest round of tariff increases.

- > A subdued showing for the 7-year note auction also added to the bearish trading for the Treasury market. Market participants have commented at the historic lows that bond yields have carved out, making them more expensive than ever for investors.
- > The 10-year US Treasury note yield gained 5 basis points to 1.520 percent, while the 2-year note rate was up 2.8 basis points to 1.532 percent.
- > The Central Bank will issue the 364-Day Government of Mauritius Treasury Bills today, for a nominal amount of MUR 600 Mio as well as the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,500 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	2.95	-
2M	3.00	-
3M	3.05	2.90
4M	3.15	-
6M	3.25	3.10
8M	3.27	-
10M	3.28	-
1Y	3.30	3.15

[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

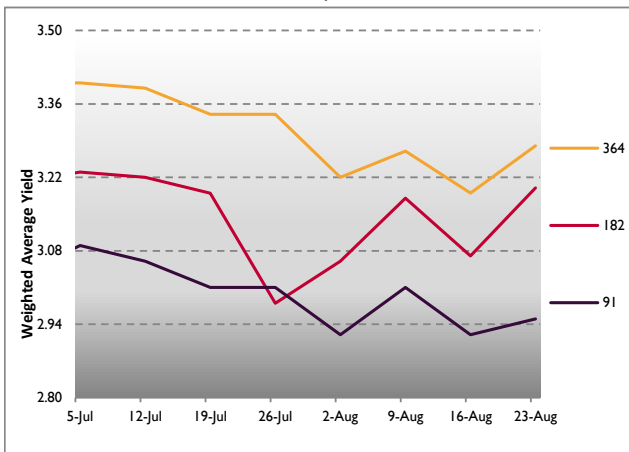
Key Central Bank Rates

	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	1.526	1.406
UK Bonds	0.341	0.291
German Bonds	-0.894	-0.931

Local Treasury Bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.459	-0.474	-0.458	-0.457
USD	2.143	2.100	2.132	2.031
GBP	0.684	0.707	0.755	0.780
EURIBOR	-0.415	-0.417	-0.422	-0.427

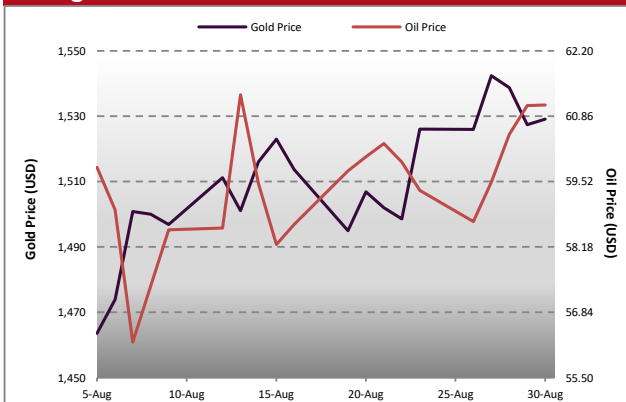
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.615	-0.594	-0.515	-0.355
USD LIBOR - 3m	1.511	1.345	1.334	1.391

*Pay fixed and receive floating swap

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

- > Crude oil prices rose yesterday and are on track for the strongest weekly gains since July, as the US-China trade war eased on comments from Chinese Ministry of Commerce who stated Beijing is willing to negotiate and collaborate with the US on trade matters.
- > Gold prices retreated from multi-year high overnight as investors drove away from the safe haven metal amid positive trade talks between the US and China where Beijing indicated that they will not retaliate for now against the latest US tariffs on Chinese goods.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	60.70	0.18	61.09	0.01
Gold (\$)	1,529.53	2.13	1,524.60	(1.90)