

FOREIGN EXCHANGE MARKET

News

- > The dollar index dropped below 96.69 yesterday after the Federal Reserve minutes undermined expectations of a rate hike pause in 2019. The index which tracks the value of the greenback against majors, is currently trading at 96.76.
- > The Single currency steadied around USD 1.1390 during the Asia session, having risen in the last two sessions as the dollar wobbled on Mr. Powell's comments.
- > Sterling was 0.1 percent weaker at USD 1.278 as British prime minister Theresa May faces the risk of the Brexit deal being rejected by parliament in a vote set for December 11.
- > The ZAR strengthened near a 4-month high yesterday to trade at 13.61 per USD against a broadly weaker greenback.
- > Aussie weakened to USD 0.7315 following the release of weaker than expected Chinese PMI data.
- > The US Dollar ends the week below the MUR 35.00 level against the Rupee on the offer, post the FOMC Minutes published yesterday.

Daily Technical View

EUR/USD-The pair traded in a tight 1.1350-1.1400 range as the market awaits the outcome of this week-end G-20 summit at Buenos Aires between Trump and Xi. The reassessment lower of the Fed's future rate path is undermining the greenback and it looks like there is potential for more upside towards 1.1430 and even 1.1500 area as long as 1.1320 and 1.1270 levels hold the pull-backs.

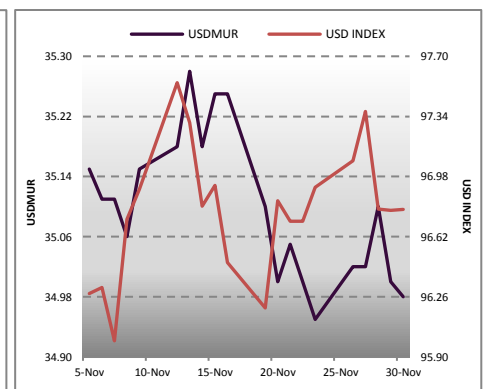
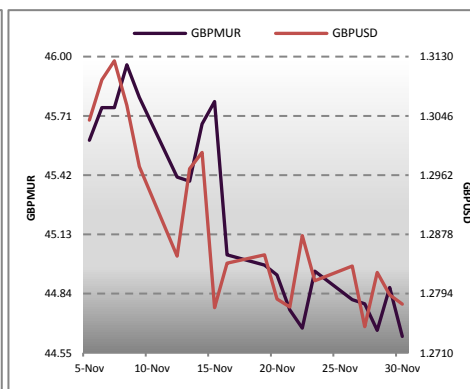
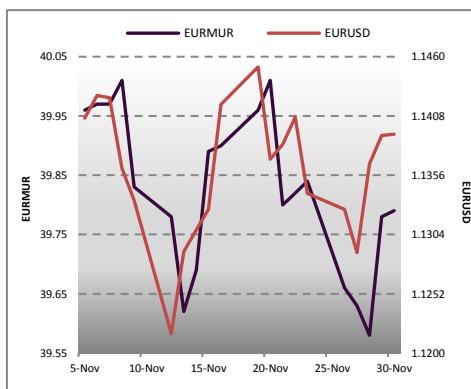
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.81	0.01	25.80	0.01
CNYMUR	4.90	(0.01)	5.15	(0.01)
EURMUR	38.63	0.01	39.79	0.01
JPYMUR	29.75	(0.05)	30.94	(0.05)
ZARMUR	2.46	0.02	2.58	0.02
USDMUR	34.08	(0.02)	34.98	(0.02)
GBPMUR	43.33	(0.23)	44.63	(0.24)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.82	24.83	24.86	25.85	25.91	26.05
EURMUR	38.74	38.96	39.30	39.93	40.21	40.67
ZARMUR	2.45	2.43	2.40	2.57	2.56	2.54
USDMUR	34.10	34.11	34.13	35.02	35.09	35.19
GBPMUR	43.41	43.56	43.79	44.74	44.96	45.32



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7318	0.7326	0.7312	0.7316
EURUSD	1.1393	1.1400	1.1384	1.1394
GBPUSD	1.2790	1.2795	1.2772	1.2784
USDJPY	113.48	113.48	113.34	113.39
USDCHF	0.9954	0.9969	0.9957	0.9969
USDCNH	6.93	6.94	6.93	6.94

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	25,366.43	(0.11)
S&P 500	2,737.76	(0.22)
FTSE 100	7,038.95	0.49
DAX	11,298.23	(0.01)
CAC 40	5,006.25	0.46
NIKKEI 225	22,336.16	0.33
HANGSENG	26,553.04	0.39

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
30-Nov	10 00	EU	Consumer Price Index - Core (YoY)	Nov	-	1.1%	1.1%
03-Dec	15 00	US	ISM Manufacturing PMI	Nov	-	58.0	57.7
03-Dec	03 30	AU	RBA Interest Rate Decision	-	-	1.5%	1.5%
05-Dec	15 00	CA	BoC Interest Rate Decision	-	-	-	1.75%

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

- > Treasury yields struggled for direction yesterday after attention shifted from the possibility of a slower rate-hike path next year to reports that the US and China were looking at a deal to ratchet down trade tensions.
- > Mr. Trump and Mr. Xi are set to meet in Buenos Aires on Saturday to hash out the China-US trade dispute with the prospect of an escalation of tariffs in early 2019 in focus for the talks. Comments from the Trump administration this week have tempered expectations for the talks and news that presidential adviser and known China hawk Peter Navarro will be present dampened sentiment on Wall Street overnight.

- > The US 10-year Treasury note yield dropped 1.1 basis points to 3.033 percent, a six-week low, while the two-year bond yield gained 0.8 basis points to 2.813 percent.
- > Today, 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

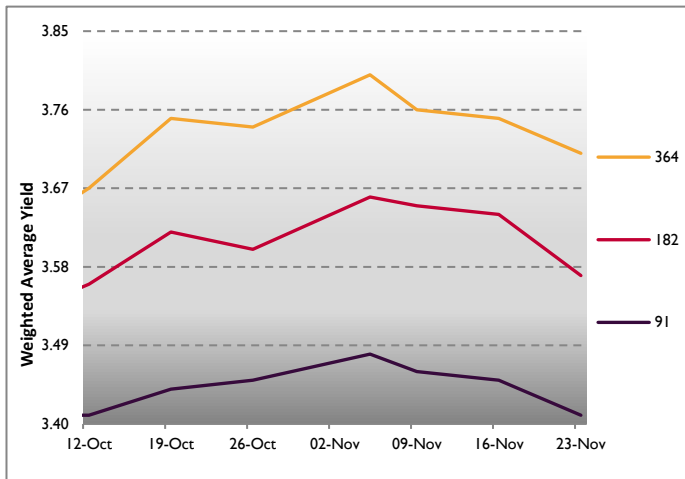
	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.50	4.30
4 Year	4.75	4.55
5 Year	5.05	4.80
10 Year	5.50	5.25
15 year	5.95	5.70
20 Year	6.20	5.95

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	2.8068	2.843
UK Bonds	0.753	0.941
German Bonds	-0.593	-0.255

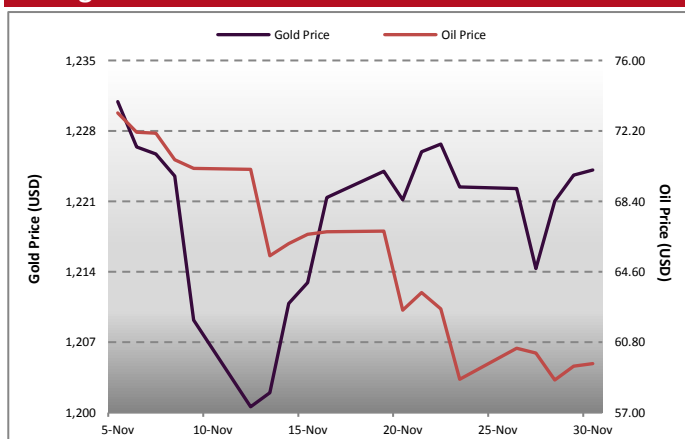
Local Treasury Bills Market

Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.440	-0.417	-0.359	-0.328
USD	2.229	2.349	2.738	2.885
GBP	0.708	0.733	0.898	1.003
EURIBOR	-0.376	-0.368	-0.316	-0.256

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.199	0.232	0.502	0.839
USD LIBOR - 3m	2.977	2.978	3.001	3.064

*Pay fixed and receive floating swap

COMMODITIES
Rolling Gold & Oil Prices


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News

- > Oil prices rebounded yesterday and rose by 2 percent after news that Russia has agreed on the need for major producers to cut production, joining Saudi Arabia and other members of the OPEC in their efforts.
- > Global oversupply in the oil market however remains the major threat to oil prices as the US reported a 10th straight weekly gain in commercial crude reserves adding to existing oversupply from Russia, Iraq and Saudi Arabia.
- > Gold prices reached a 1-week high of USD 1,229 but failed to maintain this level and fell to USD 1,224 amid release of the Fed minutes yesterday which showed policy makers considered a rate hike fairly soon.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	57.90	0.33	59.65	0.14
Gold (\$)	1,225.12	1.51	1,224.60	0.50