

FOREIGN EXCHANGE MARKET

News

- > The greenback initially rallied across the board in New York morning on Wednesday after the release of robust US ADP private payrolls. However, the dollar later reversed intra-day gains and tumbled after the Federal Reserve left interest rates unchanged as widely expected along with a dovish FOMC statement.
- > The Federal Reserve sent the clearest signal that its three-year drive to tighten monetary policy is close to an end in the face of rising pressure on the economy from slowing global growth.
- > The EUR/USD jumped to a 2-week high at 1.1506 on broad-based USD weakness after dovish Fed statement.
- > The GBP/USD pair recovered to 1.3145 after Tuesday selloff to 1.3057 after UK lawmakers voted down the amendment plans that may prevent a no-deal Brexit.
- > The AUD/USD soared to 0.7272, its highest in almost two months backed by upward revisions to iron ore prices forecasts.
- > The NZD/USD pair jumped to a session high of 0.6824 after the ratings agency S&P raised New Zealand outlook to positive from stable and left rating unchanged at AA.
- > The Canadian dollar climbed to its highest level in more than two months against its broadly weaker US counterpart on Wednesday, as oil prices rose and the Federal Reserve indicated that it would be patient in lifting borrowing costs further this year.
- > The USD is still under pressure this morning, losing 10 cents against the Rupee after dovish comments from the Federal Reserve regarding interest rates.

Daily Technical View

EUR/USD - The EUR rallied to 1.1508 against the USD in Asia this morning following the FOMC meeting where the US Fed signaled that it is putting further interest rate increases on hold and flexibility on the path for reducing its balance sheet. The next upside target will be the year high at 1.1570, if broken the 200 DMA technical resistance at 1.1620 is expected to cap the rally in the near-term while on the downside the 1.1450 support level needs to hold to keep the bullish technical picture alive.

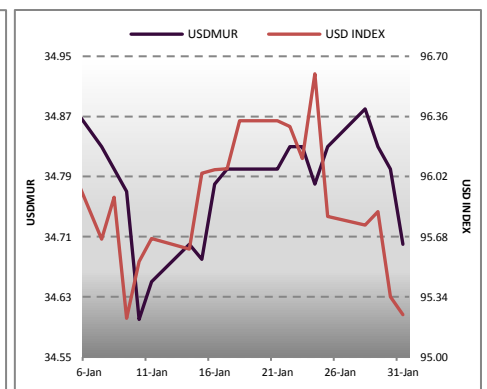
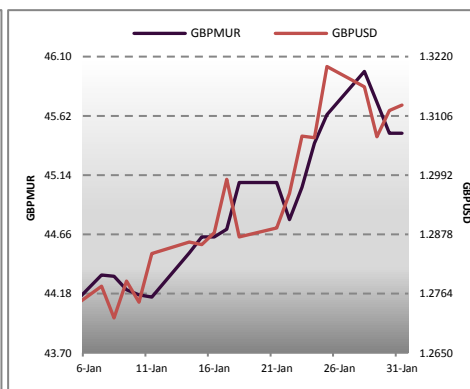
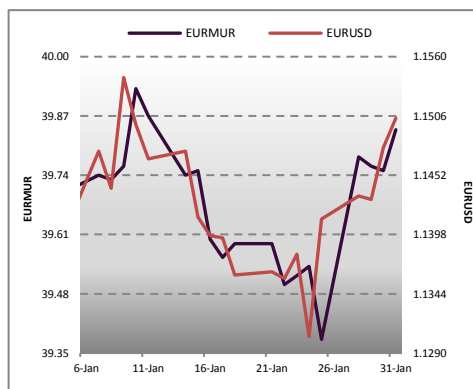
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.45	0.18	25.43	0.19
CNYMUR	5.03	-	5.29	-
EURMUR	38.68	0.09	39.84	0.09
JPYMUR	30.73	0.04	31.96	0.04
ZARMUR	2.50	0.04	2.63	0.05
USDMUR	33.80	(0.10)	34.70	(0.10)
GBPMUR	44.16	-	45.48	-

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.45	24.46	24.48	25.47	25.53	25.66
EURMUR	38.78	38.98	39.29	39.96	40.23	40.65
ZARMUR	2.49	2.47	2.44	2.62	2.61	2.59
USDMUR	33.80	33.79	33.80	34.72	34.77	34.86
GBPMUR	44.23	44.36	44.56	45.58	45.78	46.11



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7244	0.7272	0.7243	0.7268
EURUSD	1.1478	1.1508	1.1476	1.1504
GBPUSD	1.3114	1.3138	1.3104	1.3128
USDJPY	109.03	109.07	108.76	108.77
USDCHF	0.9941	0.9943	0.9923	0.9928
USDCNH	6.71	6.72	6.70	6.71

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,579.96	1.77
S&P 500	2,681.05	1.55
FTSE 100	6,941.63	1.58
DAX	11,181.66	(0.33)
CAC 40	4,974.76	0.95
NIKKEI 225	20,809.33	1.23
HANGSENG	27,942.36	1.08

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
30-Jan	19 00	US	Fed Interest Rate Decision	-	2.5%	2.5%	2.5%
31-Jan	10 00	EU	Gross Domestic Product s.a.	(YoY)	-	1.2%	1.6%
31-Jan	13 30	US	Initial Jobless Claims	Jan	-	215K	199K
01-Feb	13 30	US	Nonfarm Payrolls	Jan	-	166K	312K

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 fell on Wednesday after the Federal Reserve mentioned it would adopt a more patient approach to further rate increases in its policy statement.
- > The two-year Treasury note yield retreated 4.4 basis points to 2.524 percent, its lowest level since Jan. 4.
- > The 10-year note yield fell 1.8 basis points to 2.694 percent, the lowest since Jan. 7, after hitting an intraday high of 2.735 percent while the 30-year bond yield was up a single basis point to 3.052%.

- > As the ECB which is the biggest buyer of debt has stepped away from the bond markets last month, yields on German, Italian and French 10-years are set for their first January fall since 2016 with yields on French 10-years down by 10 basis points, their biggest drop in eight months.
- > On Monday, the Bank of Mauritius will issue the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 900 Mio as well as the 91-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,200 Mio

Market Highlights
Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.05	-
2M	3.15	-
3M	3.25	3.10
4M	3.35	-
6M	3.46	3.31
8M	3.50	-
10M	3.55	-
1Y	3.60	3.45

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.95	3.75
3 year	4.15	3.95
4 Year	4.45	4.25
5 Year	4.95	4.70
10 Year	5.50	5.25
15 year	6.10	5.85
20 Year	6.20	5.95

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.25 - 2.50
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	2.5121	2.488
UK Bonds	0.772	0.903
German Bonds	-0.569	-0.342

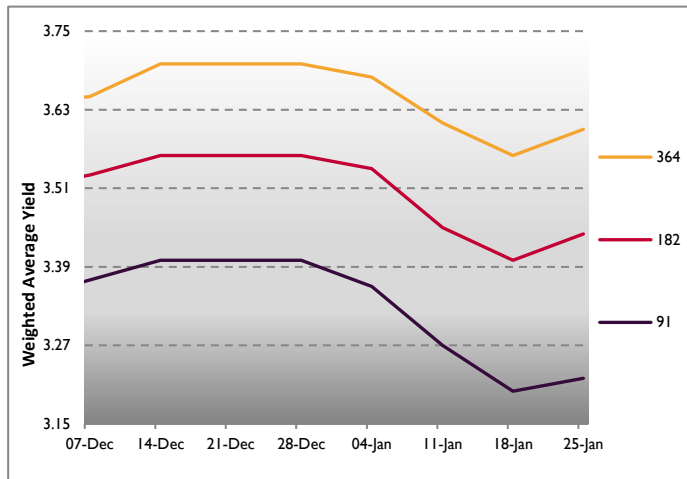
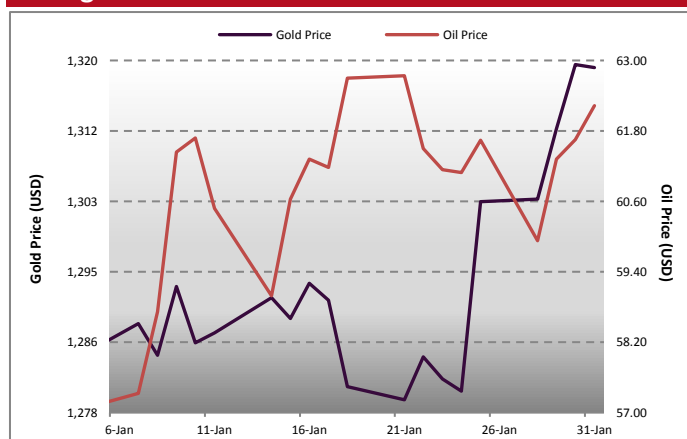
Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.444	-0.422	-0.343	-0.292
USD	2.415	2.509	2.736	2.812
GBP	0.705	0.733	0.924	1.035
EURIBOR	-0.377	-0.368	-0.306	-0.237

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.218	0.089	0.320	0.640
USD LIBOR - 3m	2.633	2.600	2.607	2.723

*Pay fixed and receive floating swap

Local Treasury Bills Market

COMMODITIES
Rolling Gold & Oil Prices


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News

- > Gold prices extended gains for a fourth day in a row, nearing the USD 1,320 level this morning and heading towards the May high of USD 1,326 following the FOMC yesterday where the case for raising interest rates is slowly fading. Geopolitical tensions and a weaker US dollar are also driving interest into the safe-haven asset.
- > Oil prices surged overnight with prices settling at their highest in more than two months as political turmoil in Venezuela raised the possibility of tighter global supplies while weekly crude stockpiles rose less than expected.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	62.35	0.92	62.18	0.53
Gold (\$)	1,320.58	1.07	1,319.00	9.10