

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended mixed on Thursday while the first revision of Q1 GDP came in at 3.1 percent as expected and initial jobless claims for the week ended May 24 resulted at 215,000 also matching the market forecast.
- > The EUR/USD dropped to 1.1117 on USD broad based strength before recovering slightly to 1.1130 ahead of the release of German retail sales later today.
- > The GBP/USD weakened to 1.2580 a near 5-month low on news that the European Union will not renegotiate Britain EU withdrawal agreement with the next British Prime Minister.
- > The USD/JPY retreated to 109.14 amid the intensifying global trade war after China indicated that it is ready to limit rare earth exports to the US if needed.
- > The South African rand weakened to 14.83 against the USD on Thursday, giving back gains after President Cyril Ramaphosa new cabinet retained familiar faces in key positions.
- > The Mexican peso tumbled to three-month lows against the dollar after US President Donald Trump stated on Thursday the US will impose a 5 percent tariff on all goods coming from Mexico starting on June 10 until illegal immigration is stopped.
- > AUD/USD intra-day momentum fades as China manufacturing PMI drops below 50 for the fourth month in six.
- > USD/CAD trading near 1.3540 as crude prices fall to lowest in 3 months, ahead of GDP figures later today.
- > The US Dollar ends the week on a high note, gaining 2 cents against the Rupee since yesterday. The Euro loses 1 cent against the local currency with the inflation data expected out of Germany later today.

### Daily Technical View

EURUSD - Another fresh week low posted by the single currency at 1.1117 nearly testing the year's low of 1.1107 and a break there will target 1.1080/60 while the upside will cap at 1.1140/50.

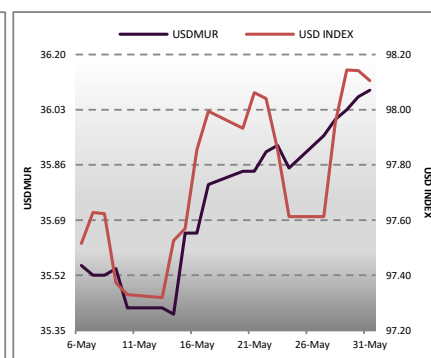
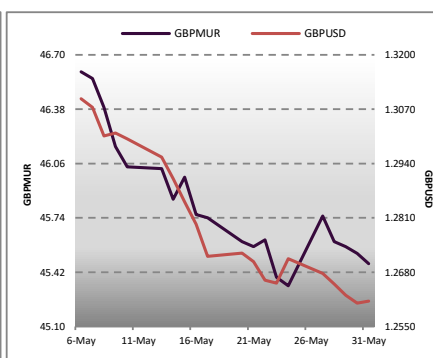
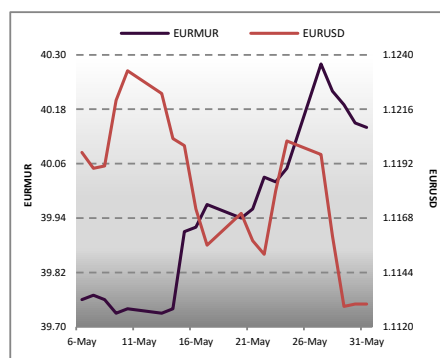
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.22	(0.03)	25.19	(0.03)
CNYMUR	5.07	-	5.33	-
EURMUR	38.97	(0.01)	40.14	(0.01)
JPYMUR	31.93	0.16	33.21	0.17
ZARMUR	2.34	(0.03)	2.46	(0.03)
USDMUR	35.19	0.02	36.09	0.02
GBPMUR	44.15	(0.05)	45.47	(0.06)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.24	24.27	24.34	25.24	25.33	25.50
EURMUR	39.06	39.26	39.58	40.26	40.52	40.96
ZARMUR	2.33	2.31	2.28	2.45	2.44	2.42
USDMUR	35.19	35.19	35.22	36.11	36.17	36.29
GBPMUR	44.21	44.35	44.57	45.56	45.77	46.11



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6913	0.6923	0.6902	0.6917
EURUSD	1.1132	1.1141	1.1126	1.1134
GBPUSD	1.2606	1.2615	1.2605	1.2615
USDJPY	109.61	109.62	108.90	108.96
USDCHF	1.0075	1.0081	1.0050	1.0060
USDCNH	6.93	6.94	6.93	6.93

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,126.41	0.17
S&P 500	2,788.86	0.21
FTSE 100	7,218.16	0.46
DAX	11,902.08	0.54
CAC 40	5,248.91	0.51
NIKKEI 225	20,774.65	(0.80)
HANGSENG	26,995.58	(0.44)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
30-May	12 30	US	Gross Domestic Product Annualized	Q1	3.1%	3.1%	3.2%
30-May	12 30	US	Initial Jobless Claims	May	215K	215K	212K
31-May	12 00	EU	Harmonized Index of Consumer Prices	May	-	1.4%	2.1%
31-May	12 30	CA	Gross Domestic Product Annualized	Q1	-	1.2%	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**

> Treasury prices rose yesterday, pushing yields lower for the third session in a row, as fears over a trade-induced economic slowdown kept rates for government paper pinned near their lowest levels in months.

> Trade uncertainty remains on the horizon, concerns around which have helped to stir appetite for government paper in the past few weeks. China's vice foreign minister Zhang Hanhui stated that Beijing was against the use of trade sanctions and tariffs, adding that instigating trade spats was akin to "naked economic terrorism."

> The 10-year US Treasury note yield dropped 1.1 basis points to 2.227 percent, its lowest since September 2017, while the 2-year note yield was down 0.6 basis point to 2.073 percent, its lowest since February 2018.

> Today, the Bank of Mauritius will issue the 364-Day Government of Mauritius Treasury bills for a nominal amount of MUR 900 Mio as well as the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 4,000 Mio.

> The Bank of Mauritius will release the minutes of the 51st MPC meeting today.

**Market Highlights**
**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	2.40	-
2M	2.50	-
3M	2.55	2.40
4M	2.65	-
6M	2.80	2.65
8M	2.90	-
10M	2.98	-
1Y	3.05	2.90

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

**Local Secondary Market T-Bonds**

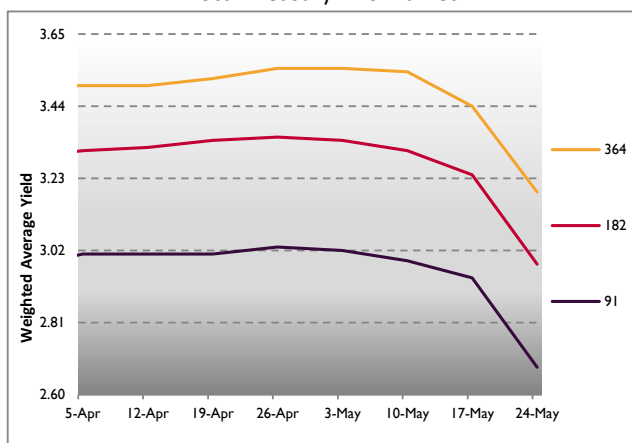
	Bid (%)	Offer (%)
2 year	3.50	3.30
3 year	3.70	3.50
4 Year	4.00	3.80
5 Year	4.50	4.25
10 Year	5.25	5.00
15 year	5.80	5.55
20 Year	6.05	5.80

**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	2.0123	1.967
UK Bonds	0.612	0.661
German Bonds	-0.655	-0.571

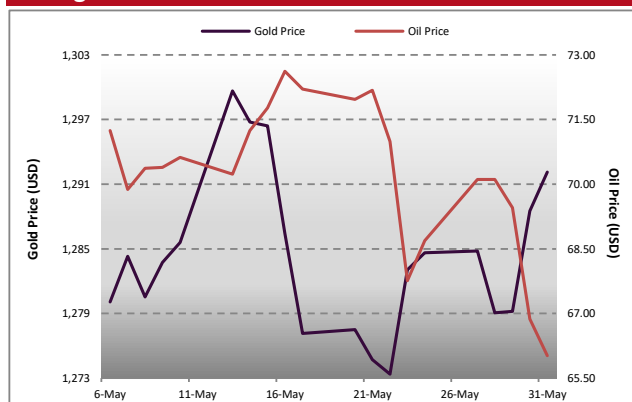
**Local Treasury Bills Market**

**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.447	-0.417	-0.352	-0.321
USD	2.398	2.440	2.520	2.544
GBP	0.701	0.725	0.796	0.886
EURIBOR	-0.385	-0.374	-0.317	-0.245

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.335	-0.157	0.016	0.287
USD LIBOR - 3m	2.038	1.953	2.014	2.117

\*Pay fixed and receive floating swap

**COMMODITIES**
**Rolling Gold & Oil Prices**


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

**News**

> Oil prices fell on Friday as the US President threatened to impose tariffs on goods from Mexico triggering fears over economic growth and appetite for oil and as US crude output returned to its record level of 12.3 million barrels per day.

> The price debate over whether the trade war is good or not for the yellow metal seems to have made way for gains from speculation over a possible Fed easing as US inflation comes out weaker than thought.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	70.81	(1.03)	66.02	(0.85)
Gold (\$)	1,292.35	3.85	1,293.10	6.00