

FOREIGN EXCHANGE MARKET

News

- > The dollar fell across the board on Monday as investor demand for riskier assets rose after China and the US agreed to a cease-fire in a trade dispute that has shaken global markets.
- > The dollar index, a gauge of its value versus six major peers, traded down 0.13 percent at 97.14.
- > The euro gained 0.16 percent to USD 1.1333 amid heavy greenback selling.
- > The British pound traded relatively unchanged at 1.2760 against its US counterpart. Sterling has posted losses for three consecutive weeks as traders bet that British Prime Minister Theresa May will not be able to pass her Brexit deal through Parliament on December 11.
- > The Aussie firmed to USD 0.7350 on better-than-expected China Caixin PMI.
- > The safe-haven Japanese yen weakened to 113.68 during the Asian trading session, with the greenback gaining 0.2 percent, reflecting the prevailing risk-on mood.
- > The US Dollar opens this week 5 cents higher against the Rupee, ahead of ISM Manufacturing PMI data due later today in the US.

Daily Technical View

EUR/USD-In Asia this morning the EUR recovered from a low of 1.1305 versus the USD to gap higher at 1.1368 following news of a truce in the U.S.-China trade war after the G-20 meeting week-end in Argentina. No change in view as long as 1.1270/1.1320 holds the downside we may see a move towards 1.1430/ 1.1500 area but a break below these support levels may target 1.1190 before the pair could find a base.

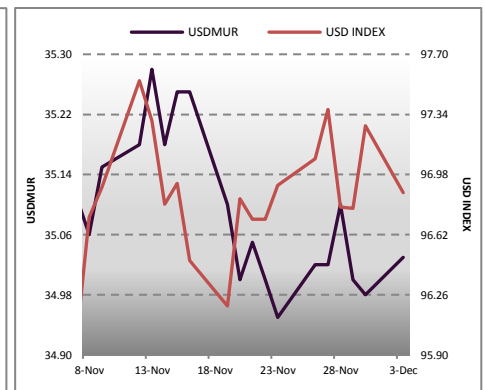
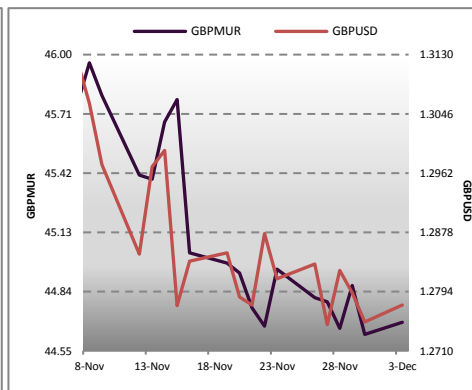
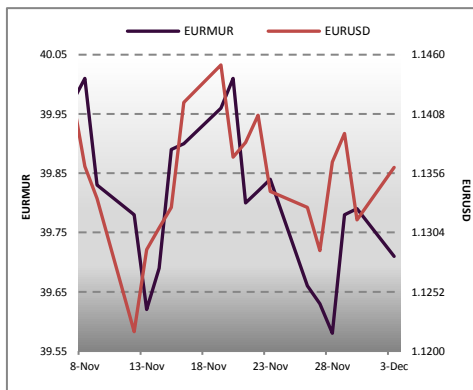
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	25.02	0.21	26.02	0.22
CNYMUR	4.93	0.03	5.18	0.03
EURMUR	38.55	(0.08)	39.71	(0.08)
JPYMUR	29.78	0.03	30.97	0.03
ZARMUR	2.46	-	2.58	-
USDMUR	34.13	0.05	35.03	0.05
GBPMUR	43.39	0.06	44.69	0.06

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	25.03	25.04	25.07	26.07	26.13	26.27
EURMUR	38.66	38.88	39.22	39.85	40.13	40.58
ZARMUR	2.45	2.43	2.40	2.57	2.56	2.54
USDMUR	34.15	34.16	34.18	35.07	35.14	35.24
GBPMUR	43.47	43.62	43.85	44.80	45.02	45.38



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7367	0.7383	0.7349	0.7364
EURUSD	1.1313	1.1369	1.1315	1.1364
GBPUSD	1.2767	1.2792	1.2734	1.2780
USDJPY	113.46	113.85	113.45	113.52
USDCHE	0.9965	0.9995	0.9970	0.9977
USDCNH	6.90	6.93	6.90	6.90

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	25,338.84	0.79
S&P 500	2,760.17	0.82
FTSE 100	6,980.24	(0.83)
DAX	11,257.24	(0.36)
CAC 40	5,003.92	(0.05)
NIKKEI 225	22,650.53	1.34
HANGSENG	27,181.08	2.54

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
30-Nov	10 00	EU	Consumer Price Index - Core (YoY)	Nov	1.0%	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 fell on Friday to leave 10-year yields down at 2.99 percent before bouncing back to 3.035 percent early this morning.
- > The White House announced on Saturday that President Donald Trump informed China's President Xi Jinping at the G20 talks in Argentina that he would not raise tariffs on USD200 billion of Chinese goods to 25 percent on January 01 2019 as previously announced. China and the United States will attempt to bridge their differences via new talks aimed at reaching a deal within 90 days.
- > Apart from trade, investor focus will also return to the US monetary policy, with the Federal Reserve expected to raise interest rates by 25 basis points later in December, which would be its fourth rate hike this year.
- > The result of the 364-Day Government of Mauritius Treasury Bills was as follows: out of 11 bids received, only 3 were successful, with a weighted average yield of 3.64 percent.
- > As for the 91-Day and 182-Day Bank of Mauritius Treasury Bills, the weighted average yields were published at 3.34 percent and 3.51 percent respectively.
- > The Bank of Mauritius published the Weighted Average Rupee Deposit Rate of Banks at 1.71 percent for October 2018, no change from the previous month. The Central Bank also published the Weighted Average Rupee Lending Rate of Banks at 6.39 percent, an increase of 0.17 percent from the previous.

Market Highlights
Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.15	-
2M	3.25	-
3M	3.34	3.19
4M	3.44	-
6M	3.53	3.38
8M	3.57	-
10M	3.61	-
1Y	3.65	3.50

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

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	5.20	4.95
10 Year	5.45	5.20
15 year	6.13	5.88
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	2.8414	2.883
UK Bonds	0.766	0.942
German Bonds	-0.589	-0.259

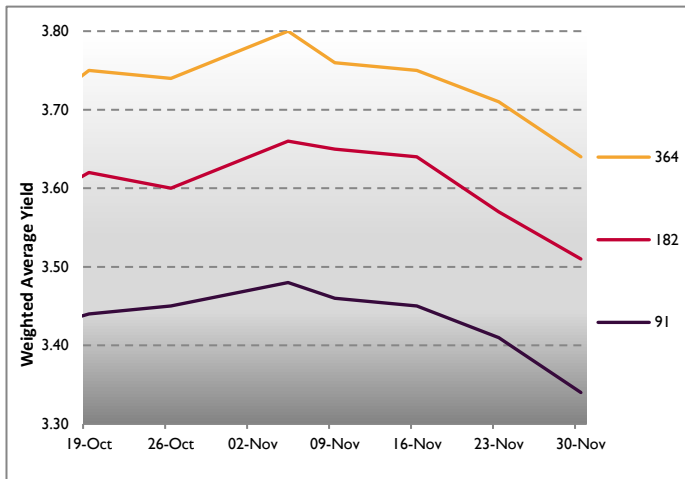
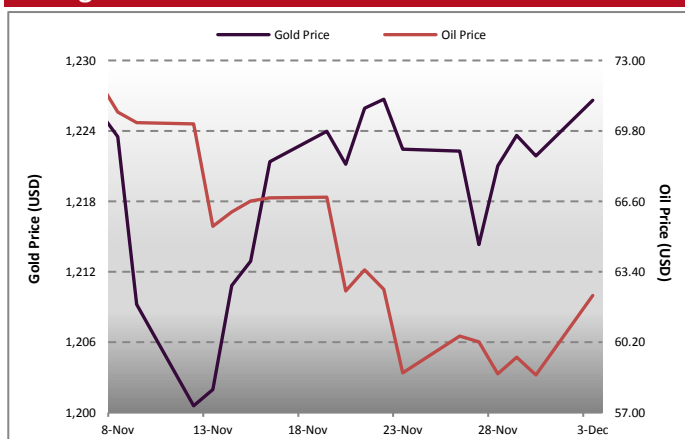
Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.438	-0.413	-0.359	-0.329
USD	2.221	2.347	2.736	2.895
GBP	0.708	0.737	0.893	1.012
EURIBOR	-0.376	-0.368	-0.316	-0.251

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.204	0.221	0.490	0.828
USD LIBOR - 3m	3.010	3.001	3.034	3.096

*Pay fixed and receive floating swap

Local Treasury Bills Market

COMMODITIES
Rolling Gold & Oil Prices


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News

- > The oil market has been well supported during the weekend, notably late on Friday, after Russia and Saudi Arabia agreed to extend into next year a deal to manage the market, even though no specific volumes were cited.
- > Oil prices also surged this morning on news that the US and China have agreed at the G20 summit not to impose additional trade tariffs for at least 90 days while still holding talks to resolve the conflict.
- > The yellow metal traded flat at USD 1,223 this morning despite some market developments in the US-China trade war where both parties have agreed on a cease-fire. Traders now await Fed chair Jerome Powell testimony to Congress on Wednesday.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	57.57	(0.32)	62.32	3.61
Gold (\$)	1,227.67	5.79	1,226.10	5.90