

## FOREIGN EXCHANGE MARKET

### News

- > The dollar continued to lose ground to peers in Asia-Pacific trading, while gains for sovereign bonds showed a lingering demand for safe havens with the outlook for a full US-China resolution cloudy.
- > Gains in the EURUSD pair have been capped as investors remain concerned about the fragility of the US-China trade truce, taking the dollar index 0.4 per cent lower for the week.
- > Sentiment in the pound sterling remains bearish as traders bet that the British Prime Minister will not be able to pass her Brexit deal through Parliament on December 11.
- > The USD/CAD pair started the week with a gap down and extended its losses to a fresh two-week low as the loonie gathered strength on rising oil prices.
- > The Japanese yen strengthened 0.3 per cent to 113.30 against the dollar.
- > The Australian dollar peaked at USD 0.7380 during the Asian session as local data showed that the country's current account deficit narrowed to AUD 10.7 billion, while the Reserve Bank of Australia held its rates at 1.5 percent but remained upbeat on the economy.
- > The US Dollar opens 5 cents lower this morning against the Rupee, along with the Pound Sterling, which sees a 17-cent drop against the local currency ahead of BoE Governor Mark Carney's speech due later today.

### Daily Technical View

EUR/USD-The easing of trade tensions between the US and China enabled the pair to stabilize around the 1.1370 level but after filling yesterday's opening gap at 1.1325. This bodes well for further upside recovery towards 1.1430/1.1500 levels while 1.1270/1.1305 holds the downside. US financial markets are set to close Wednesday for a national day of mourning to honour former President George H.W. Bush. Fed Chairman Jerome Powell's testimony to Congress scheduled for Wednesday has been cancelled.

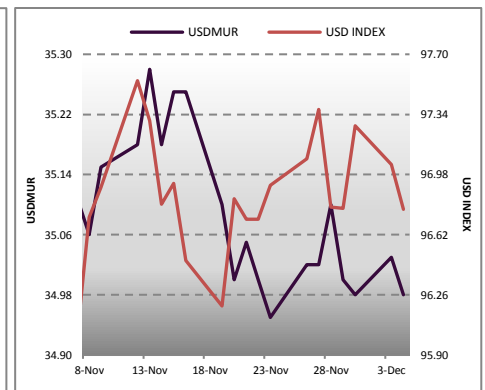
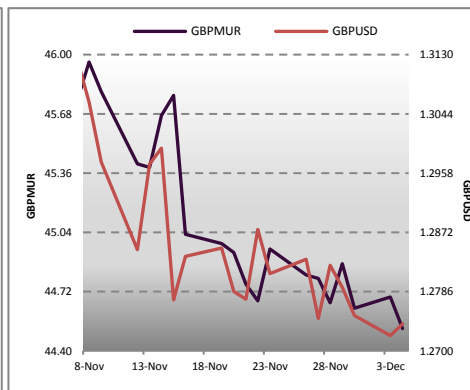
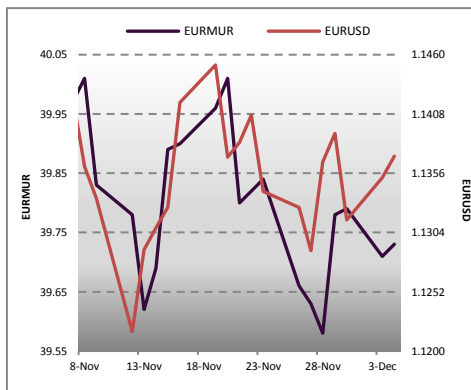
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	25.00	(0.02)	26.00	(0.02)
CNYMUR	4.97	0.04	5.22	0.04
EURMUR	38.57	0.02	39.73	0.02
JPYMUR	29.79	0.01	30.98	0.01
ZARMUR	2.46	-	2.58	-
USDMUR	34.08	(0.05)	34.98	(0.05)
GBPMUR	43.22	(0.17)	44.52	(0.17)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	25.01	25.02	25.05	26.05	26.11	26.25
EURMUR	38.68	38.90	39.24	39.87	40.15	40.60
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	43.30	43.45	43.68	44.63	44.85	45.21



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7357	0.7379	0.7349	0.7369
EURUSD	1.1352	1.1382	1.1351	1.1374
GBPUSD	1.2723	1.2749	1.2720	1.2742
USDJPY	113.64	113.66	113.06	113.14
USDCHF	0.9975	0.9983	0.9959	0.9965
USDCNH	6.87	6.88	6.84	6.84

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,538.46	1.13
S&P 500	2,790.37	1.09
FTSE 100	7,062.41	1.18
DAX	11,465.46	1.85
CAC 40	5,053.98	1.00
NIKKEI 225	22,255.69	(1.41)
HANGSENG	27,009.07	(0.64)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
04-Dec	03 30	AU	RBA Interest Rate Decision	-	1.5%	1.5%	1.5%
05-Dec	15 00	CA	BoC Interest Rate Decision	-	-	-	1.75%
05-Dec	09 00	EU	Markit Services PMI	Nov	-	53.1	53.1
05-Dec	14 45	US	Markit Services PMI	Nov	-	54.4	54.4

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

**News**

- > Treasury yields edged lower yesterday as stocks gave up a chunk of their opening gains.
- > The rally in government debt, which drove Treasury prices higher and rates down, came in after fading euphoria around a tentative deal with President Donald Trump and China's leader Xi Jinping this weekend to delay a further increase in tariffs.
- > The temporary trade truce drew investors into stocks, even as bond buyers appeared less impressed. The Dow Jones Industrial Average and the S&P were both up by more than 1 percent, but remain off their session highs.
- > The US 10-year Treasury note yield was down 2.4 basis points to 2.990 percent, around a three-month low, after trading as high as 3.050 percent overnight.
- > The 2-year note yield was up by 2.3 basis points to 2.833 percent

**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	2.8069	2.799
UK Bonds	0.724	0.899
German Bonds	-0.604	-0.262

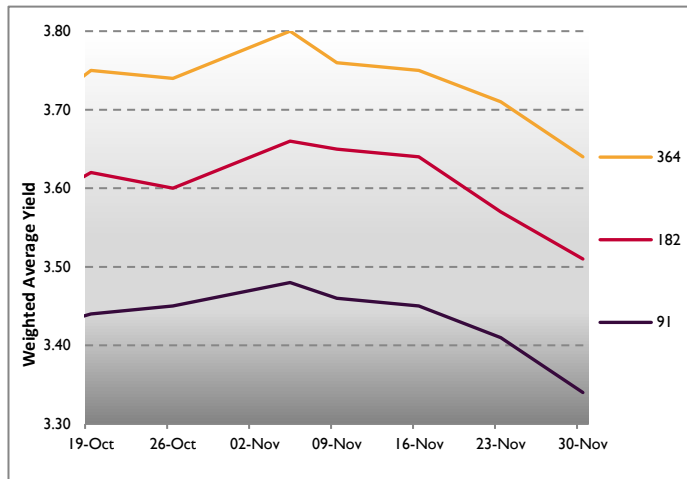
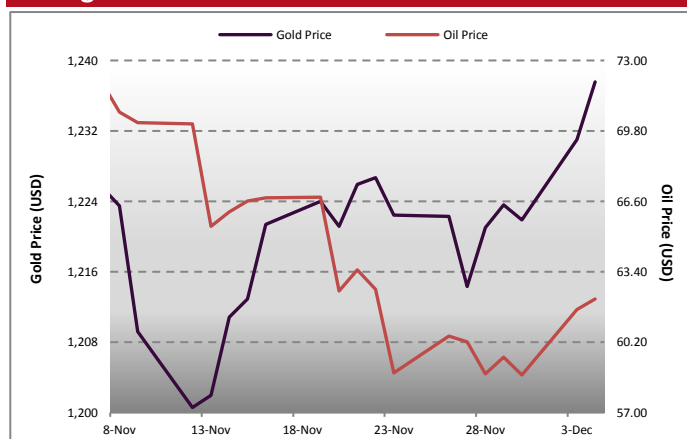
**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.441	-0.415	-0.355	-0.328
USD	2.216	2.379	2.751	2.895
GBP	0.707	0.736	0.896	1.012
EURIBOR	-0.376	-0.368	-0.316	-0.251

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.205	0.212	0.482	0.817
USD LIBOR - 3m	2.982	2.922	2.950	2.996

\*Pay fixed and receive floating swap

**Local Treasury Bills Market**

**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**

- > Oil prices extended strong gains and rose by 4 percent overnight as Canada promised supply cut in an expected announcement yesterday, giving crude prices their largest daily gain since June.
- > Traders now await the OPEC meeting this Thursday at the cartel headquarters in Vienna where it is widely expected that the organisation will follow suit and agree to a production cut.
- > Gold prices hit a 5-week high, touching USD 1,240 an ounce, after a weak US dollar provided good support to the precious metal following agreement between the US and China to put tariffs on hold for 90 days.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	60.03	2.47	62.16	0.47
Gold (\$)	1,238.01	7.01	1,234.70	0.80