

FOREIGN EXCHANGE MARKET

News

- > Although the greenback jumped briefly after the release of robust US payrolls, price quickly erased gains after jobs report showed weak wage growth and higher unemployment rate, suggesting the Fed will continue its unchanged rate policy in the future.
- > The report showed the US economy created 304,000 new jobs, the highest in 11 months while the unemployment rate, however, rose to a seven-month peak of 4 percent.
- > The EUR/USD rose to 1.1465 following data showing the pace of Eurozone inflation improved.
- > The GBP/USD weakened to 1.3044 after the release of poor UK manufacturing data on Friday. The Bank of England is scheduled to meet later this week and widely expected to keep interest rates steady.
- > The Aussie retreated to 0.7225 in Asian trade this morning from a high of 0.7285 after the release of weaker-than-expected building approvals data.
- > The dollar held near a one-week high against the yen on Monday, supported by a rise in US Treasury yields and stronger-than-expected US jobs amid thinned holiday trade in Asia.
- > Markets in China will be closed for a week for the Lunar New Year holiday.
- > The South African rand weakened on Friday, retreating from a near six-month high, as weak domestic economic data and shrinking factory activity in China dampened risk demand.
- > The USD opens the week 5 cents higher against the Rupee, post better than expected non-farm payroll data on Friday.

Daily Technical View

EURUSD - The US nonfarm payrolls exceeded expectations on Friday with a reading of 304K jobs during January above forecast of 165K. The next level on the upside is 1.1515 and on the other end a break below 1.1420 would target 1.1380/90 region.

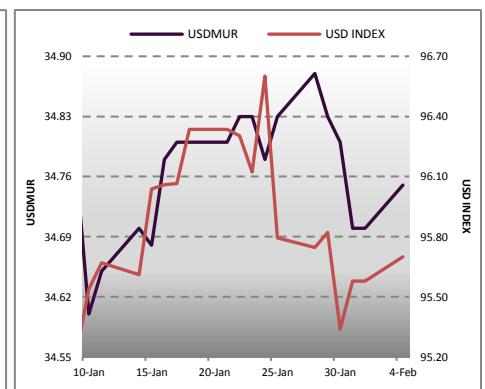
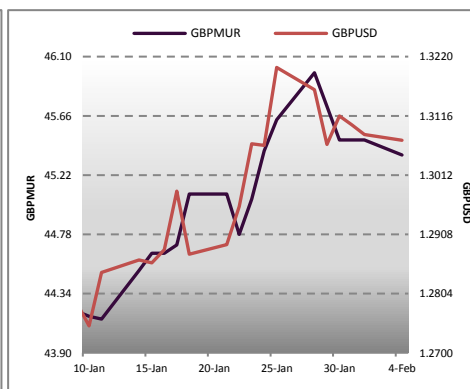
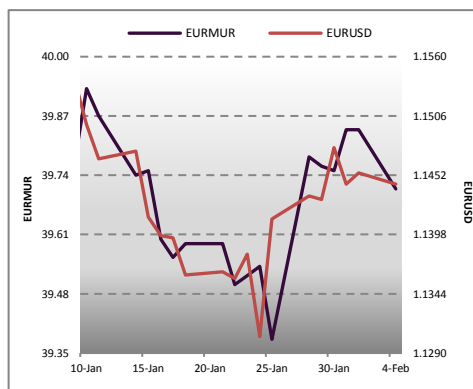
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.35	(0.10)	25.32	(0.11)
CNYMUR	4.99	(0.04)	5.25	(0.04)
EURMUR	38.55	(0.13)	39.71	(0.13)
JPYMUR	30.55	(0.18)	31.77	(0.19)
ZARMUR	2.49	(0.01)	2.61	(0.02)
USDMUR	33.85	0.05	34.75	0.05
GBPMUR	44.05	(0.11)	45.37	(0.11)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.35	24.36	24.38	25.36	25.42	25.54
EURMUR	38.65	38.85	39.16	39.83	40.09	40.52
ZARMUR	2.48	2.46	2.43	2.60	2.59	2.57
USDMUR	33.85	33.84	33.85	34.77	34.82	34.91
GBPMUR	44.12	44.24	44.45	45.47	45.67	46.00



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7242	0.7254	0.7224	0.7231
EURUSD	1.1454	1.1465	1.1438	1.1444
GBPUSD	1.3083	1.3084	1.3065	1.3075
USDJPY	109.49	109.78	109.44	109.74
USDCHF	0.9951	0.9971	0.9946	0.9969
USDCNH	6.75	6.78	6.75	6.78

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	24,999.67	0.26
S&P 500	2,706.53	0.09
FTSE 100	7,020.22	0.74
DAX	11,180.66	0.07
CAC 40	5,019.26	0.53
NIKKEI 225	20,871.23	0.40
HANGSENG	27,990.21	0.21

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
01-Feb	13 30	US	Nonfarm Payrolls	Jan	304K	165K	222K
05-Feb	03 30	AU	RBA Interest Rate Decision	Feb	-	1.5%	1.5%
05-Feb	09 00	EU	Markit Services PMI	Jan	-	50.8	50.8
05-Feb	14 45	US	Markit Services PMI	Jan	-	54.2	54.2

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 rose sharply on Friday as a round of solid economic data from US factories and households helped to pare back the bond-market's midweek rally, after the Federal Reserve signalled a more dovish policy path.
- > The nonfarm-payrolls report for January showed the US economy added 304,000 jobs, well above the 172,000 reading expected.
- > Analysts stated that the US economic landscape had demonstrated both signs of strength and weakness, with US factories ailing under the pressure of trade tensions, and unemployment hovering around a multi-decade low.

- > The 10-year US Treasury note yield gained 5.9 basis points to 2.690 percent, marking its biggest daily jump since January 4.
- > Today, 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

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	2.51	2.510
UK Bonds	0.771	0.893
German Bonds	-0.559	-0.352

Money Market Rates

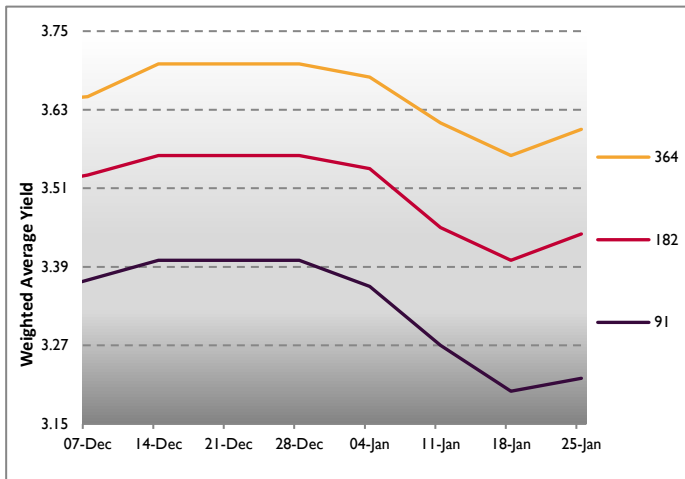
LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.452	-0.420	-0.342	-0.296
USD	2.408	2.514	2.733	2.790
GBP	0.701	0.731	0.914	1.030
EURIBOR	-0.375	-0.369	-0.308	-0.235

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.217	0.090	0.313	0.633
USD LIBOR - 3m	2.631	2.601	2.637	2.718

*Pay fixed and receive floating swap

Local Treasury Bills Market



COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices slipped this morning after having enjoyed a 3 percent rise in the last session on Friday on a huge jump in US nonfarm payrolls which showed a growth of 304,000 jobs versus an estimated rise of only 165,000.
- > This week oil traders will continue to monitor global crude supplies and the outlook for energy demand as Russia announced that its output declined by 35,000 barrels for January while pressure continue to rise in the US-Venezuela crisis.
- > Gold prices fell off their 9-month high on Friday after jobs data came out strong from the US while traders will be watching for comments from a number of Federal Reserve officials this week.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	62.32	(0.59)	62.74	(0.01)
Gold (\$)	1,313.77	(4.16)	1,312.90	(4.00)