

## FOREIGN EXCHANGE MARKET

### News

- > The greenback tumbled across the board on Monday following comments from St. Louis Federal Reserve President James Bullard who stated that the US trade disputes with China and other countries, along with subdued inflation, could prompt the Central Bank to cut interest rates soon. Moreover, the US dollar remained weak after manufacturing activity for May fell to its lowest level since October 2016, increasing concerns about the impact of the global trade war on the economy
- > The EUR/USD rebounded to 1.1262 from a low of 1.1155 due to USD weakness following Fed Bullard rate cut comments.
- > The GBP/USD initially dropped to a low of 1.2611 yesterday on downbeat UK manufacturing PMI data. However, the pair later rallied to a high of 1.2677 on broad-based USD weakness.
- > The Loonie erased a week of losses yesterday against the US dollar as US PMI data fell short of expectation and oil eases decline.
- > The USD/JPY pair fell to 107.89, its lowest since early January as risk aversion along with speculation of a Fed rate cut, putting the greenback under strong selling pressure.
- > AUD/USD flashed 0.6994 as the RBA decreased the official cash rate to a record low of 1.25 percent but quickly reversed as the rate cut was largely expected by market participants.
- > South African rand firmed against the USD on Monday, as a weakening dollar provided many emerging currencies with some breathing space while focus in today in on the release of the first-quarter GDP.
- > The US Dollar finally gets some respite this morning, losing 18 cents against the Rupee, ahead of Federal Reserve Chairman Jerome Powell's speech awaited later today.

### Daily Technical View

EUR/USD - Yesterday the greenback sell-off against the EUR reached a session high of 1.1262 after US 10-Y yields slid to 2.07 percent following Chicago's Fed President Bullard comments that a US rate cut may be warranted soon. A clear breach of the double-top technical resistance at 1.1265 will target 1.1325/60 area while on the downside 1.1220 and 1.1165 levels are expected to provide support.

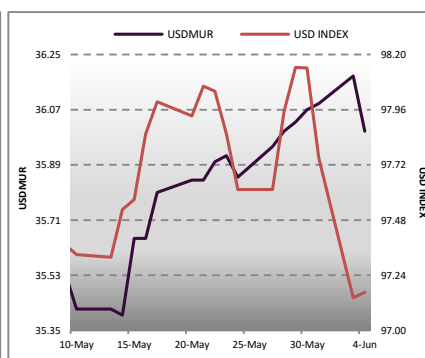
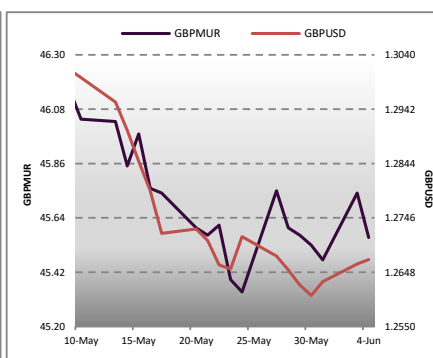
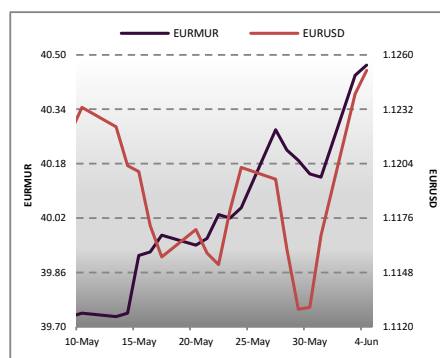
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.36	(0.05)	25.33	(0.06)
CNYMUR	5.06	(0.03)	5.32	(0.03)
EURMUR	39.29	0.03	40.47	0.03
JPYMUR	32.18	(0.12)	33.47	(0.12)
ZARMUR	2.39	-	2.51	-
USDMUR	35.10	(0.18)	36.00	(0.18)
GBPMUR	44.23	(0.18)	45.56	(0.18)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.38	24.41	24.48	25.38	25.47	25.64
EURMUR	39.38	39.58	39.91	40.59	40.85	41.29
ZARMUR	2.38	2.36	2.33	2.50	2.49	2.47
USDMUR	35.10	35.10	35.13	36.02	36.08	36.20
GBPMUR	44.29	44.43	44.65	45.65	45.86	46.20



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6975	0.6993	0.6962	0.6982
EURUSD	1.1240	1.1257	1.1242	1.1253
GBPUSD	1.2663	1.2675	1.2654	1.2672
USDJPY	108.07	108.08	107.86	107.96
USDCHF	0.9924	0.9932	0.9921	0.9932
USDCNH	6.92	6.93	6.92	6.93

#### Major Indices

	Value at Close	Day Change %
DOW JONES	24,815.04	0.02
S&P 500	2,744.45	(0.28)
FTSE 100	7,184.80	0.32
DAX	11,792.81	0.56
CAC 40	5,241.46	0.65
NIKKEI 225	20,391.28	(0.10)
HANGSENG	26,741.73	(0.57)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
3-Jun	14 00	US	ISM Manufacturing PMI	May	52.1	53.0	52.8
4-Jun	04 30	AU	RBA Interest Rate Decision	June	1.25%	1.25%	1.50%
4-Jun	09 00	US	Consumer Price Index - Core (YoY)	May	-	0.9%	1.3%
5-Jun	01 30	AU	Gross Domestic Product (QoQ)	Q1	-	0.4%	0.2%

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

## FIXED INCOME

### News

- > Treasury prices rose on Monday, pushing yields lower for the fifth straight session, as investors sought shelter in government paper after President Donald Trump last week moved to impose punitive tariffs on Mexico.
- > The 10-year Treasury note yield slipped 5.4 basis points to 2.085 percent its lowest level since September 2017 while the 2-year note yield tumbled 8.9 basis points to 1.848 percent, its lowest since Dec. 2017.

- > The 30-year bond yield fell 2.7 basis points to 2.550 percent, its lowest since October 2016.
- > The Bank of Mauritius will issue the Ten-year Government of Mauritius Bonds for a nominal value of MUR 1,500 Mio.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	1.95	-
2M	2.05	-
3M	2.15	2.00
4M	2.30	-
6M	2.45	2.30
8M	2.52	-
10M	2.58	-
1Y	2.65	2.50

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.10	2.90
3 year	3.40	3.20
4 Year	3.70	3.50
5 Year	4.25	4.00
10 Year	5.00	4.75
15 year	5.50	5.25
20 Year	5.85	5.60

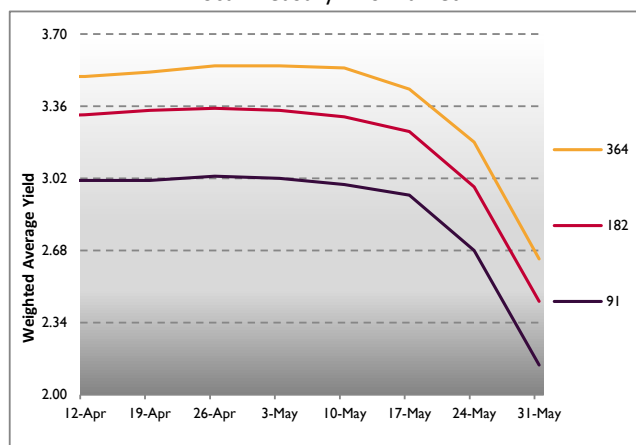
#### Key Central Bank Rates

	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	1.8874	1.878
UK Bonds	0.572	0.617
German Bonds	-0.654	-0.574

#### Local Treasury Bills Market



#### Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.452	-0.427	-0.352	-0.326
USD	2.382	2.430	2.479	2.456
GBP	0.700	0.726	0.797	0.868
EURIBOR	-0.392	-0.378	-0.322	-0.250

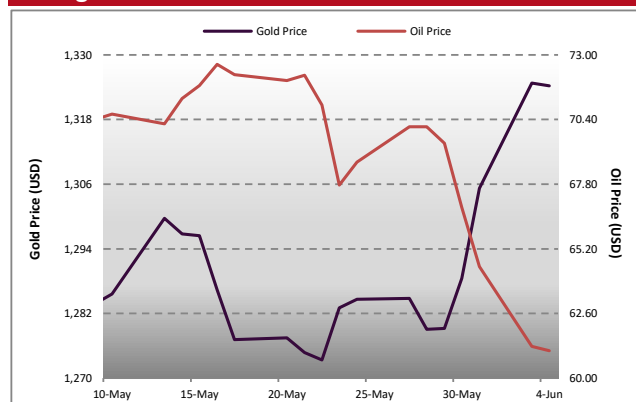
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.349	-0.179	-0.011	0.255
USD LIBOR - 3m	1.919	1.872	1.950	2.055

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

- > Gold prices climbed as market participants rushed to safe haven assets on latest developments in trade tensions between US and China.
- > Oil prices were pressured in the Asian session on Tuesday by a slowing economic activity worldwide that has started to affect fuel consumption, although a Saudi Arabian statement on a consensus among producers to extend supply cuts provided some support for prices.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	64.47	(3.56)	61.01	(0.27)
Gold (\$)	1,324.72	(0.05)	1,322.20	(0.50)