

FOREIGN EXCHANGE MARKET

News

> The greenback ended the day little changed against majority of its peers on Tuesday, as investors remained cautious ahead of the much-awaited Federal Reserve rate decision this Wednesday. Apart from the Fed policy, US ISM Services PMI will remain in focus.

> EUR/USD retreated from a daily high of 1.0577 and is currently stuck around 1.0515 amid fear of Fed policy in broader market mood. Attention now shifts to Fed monetary policy decision along with the release of Euro retail sales figures.

> GBP/USD posted modest gains, despite retreating from daily highs around 1.2567 towards the 1.2490 area, ahead of key monetary policy announcements by the Federal Reserve and the Bank of England.

> USD/JPY rebounded above the 131.00 level as investors are awaiting the release of the Fed policy while Japanese markets will remain closed today.

> AUD/USD rallied above 0.7100 this morning on firmer Aussie retail sales data for March. The Reserve Bank of Australia on Tuesday raised its cash rate by a surprisingly large 25 basis points to 0.35 percent, the first hike in over a decade.

> The Canadian dollar strengthened against its US counterpart on Tuesday, as the greenback gave back some recent gains against a basket of major currencies and comments by a senior Bank of Canada official supported expectation for interest rate hikes.

> USD/MUR opens at MUR 43.40/USD, while the EUR/MUR opens at MUR 45.92/EUR, with the single currency trading above 1.0510 this morning.

Daily Technical View

EUR/USD – Lower-than-expected Eurozone unemployment rate reported yesterday capped the single currency below double top at 1.0577 to percolate near 1.0516. Euro bulls might set immediate support at monthly low at 1.0472, and resistance at confluent level at 1.0593. Today's market focus turns to Fed's monetary policy announcement for directional clues.

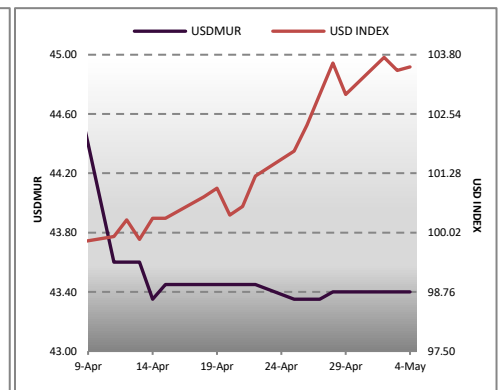
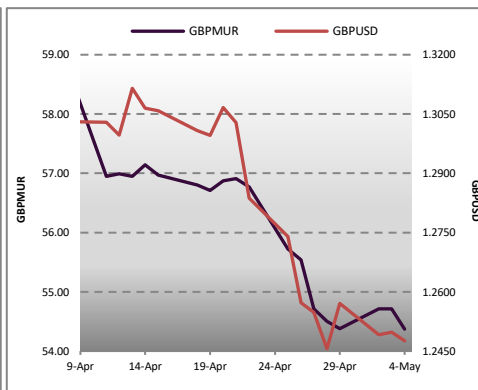
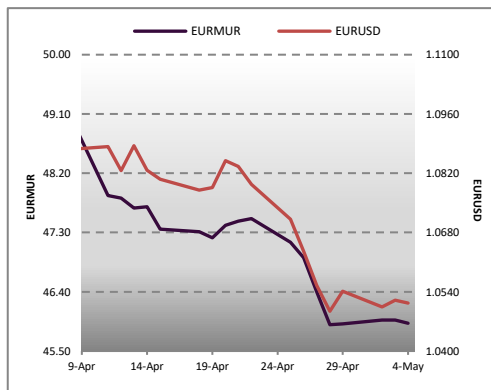
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.08	0.26	31.28	0.27
CNYMUR	6.39	0.04	6.72	0.04
EURMUR	44.58	(0.05)	45.92	(0.05)
JPYMUR	32.33	0.03	33.62	0.03
ZARMUR	2.65	0.02	2.82	0.02
USDMUR	42.50	-	43.40	-
GBPMUR	52.79	(0.33)	54.37	(0.34)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.07	30.02	29.85	31.31	31.35	31.34
EURMUR	44.58	44.55	44.50	45.98	46.11	46.31
ZARMUR	2.63	2.60	2.54	2.82	2.82	2.80
USDMUR	42.46	42.34	42.09	43.41	43.41	43.38
GBPMUR	52.75	52.64	52.38	54.38	54.38	54.37



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7094	0.7119	0.7089	0.7107
EURUSD	1.0514	1.0533	1.0512	1.0514
GBPUSD	1.2499	1.2506	1.2472	1.2476
USDJPY	130.09	130.20	130.05	130.15
USDCHE	0.9777	0.9799	0.9777	0.9795
USDCNH	6.65	6.66	6.63	6.64

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	33,061.50	0.20
S&P 500	4,175.48	0.48
FTSE 100	7,561.33	0.22
DAX	14,039.47	0.72
CAC 40	6,476.18	0.79
NIKKEI 225	26,818.53	(0.11)
HANGSENG	20,838.82	(1.25)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
2-May	14 00	US	ISM Manufacturing PMI	Apr	55.4	57.6	57.1
3-May	04 30	AU	RBA Interest Rate Decision	-	0.35%	0.25%	0.10%
4-May	14 00	US	ISM Services PMI	Apr	-	59.0	58.3
4-May	18 00	US	Fed Interest Rate Decision	-	-	1.0%	0.5%

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

> Most Treasury yields drifted lower on Tuesday, with the 10-year note slipping back from the 3 percent level it briefly touched in the prior session, as investors prepared for the Federal Reserve decision.

>The exception was the 2-year rate, which continued to climb on expectation for the Fed's near-term policy moves. The rise in the 2-year rate led to a shrinking spread against the 10-year yield, a possible sign of worries about the economic outlook.

> Meanwhile, data released yesterday showed that US job openings climbed to a record 11.55 million in March and the number of people quitting also hit an all-time high, in another sign of a historically tight labour market.

> Elsewhere, in Europe, the yield on the 10-year German bond reached the 1 percent level for the first time in nearly seven years. It had traded in negative territory as recently as March.

> The 2-year US Treasury note yield gained 3.9 basis points to 2.768 percent, while the yield on the 10-year Treasury note dropped 3.8 basis points to 2.957 percent. The long bond yield gave away 5.4 basis points to 3.006 percent.

> No bids were submitted for the Two-Year Government of Mauritius Treasury Notes Buyback auction held on Monday.

> Today, the Bank of Mauritius will hold the auction for the Five-year Government of Mauritius Bonds for a nominal amount of MUR 2,200 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.75	0.60
2M	0.80	0.65
3M	0.85	0.70
4M	0.90	0.75
6M	0.95	0.80
8M	0.98	0.83
10M	1.01	0.86
1Y	1.05	0.90

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.15	1.95
3 year	2.50	2.30
4 Year	2.80	2.60
5 Year	3.10	2.85
10 Year	4.45	4.20
15 year	4.55	4.30
20 Year	4.90	4.65

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	2.00	1.85
Fed Funds Rate	0.25 - 0.50	0.00 - 0.25
BoE Bank Rate	0.50	0.25
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.10	0.10

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	2.7889	3.029
UK Bonds	1.649	1.72
German Bonds	0.263	0.698

Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.803	1.335	1.911
GBP	-	0.963	1.231	1.692
EURIBOR	-0.568	-0.527	-0.416	-0.204

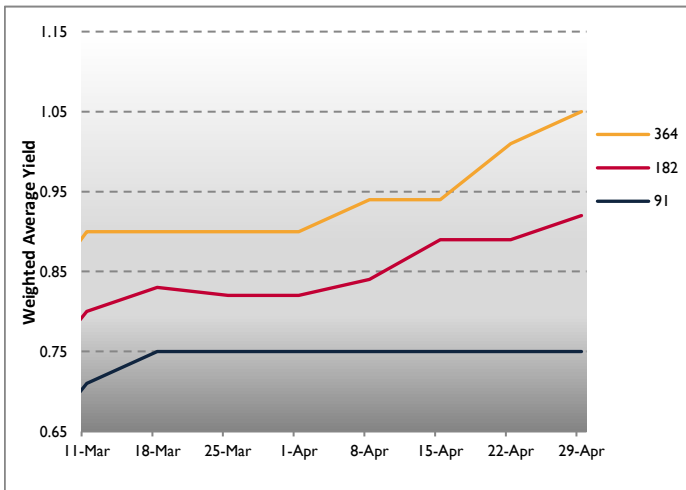
* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	0.983	1.429	1.551	1.734
USD LIBOR - 3m	3.108	3.139	3.099	3.061

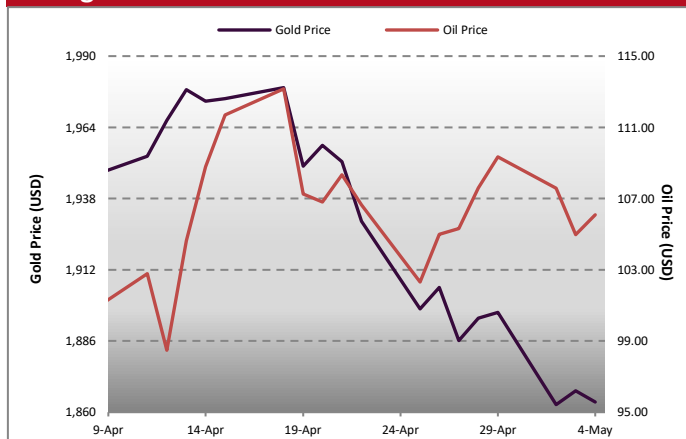
*Pay fixed and receive floating swap

Auction Results of Treasury Bills



COMMODITIES

Rolling Gold & Oil Prices



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News

> Benchmark oil prices firmed in Asian trade today, supported by API data showing drawdowns in US crude and fuel stockpiles, which reduced market participants' fear about slowing demand but increasing worries concerning the supply side. In the previous session, oil prices declined as China prolonged Covid-19 lockdowns.

> OPEC+ will meet today and are expected to confirm a previously agreed small output increase for June.

> Gold dropped on the back of higher US Treasury yields ahead of a widely expected 50 basis point interest rate hike from Federal Reserve.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	105.80	(1.48)
Gold (\$)	1,863.70	(4.09)