

FOREIGN EXCHANGE MARKET

News

- > The greenback ended mixed on Thursday despite encouraging US employment-related data. The US published initial jobless claims for the week ended August 28, which shrank to 881,000, better than the 950,000 expected. Focus today will be on the US Nonfarm Payrolls release.
- > EUR/USD hit a fresh weekly low of 1.1790. However, the pair bounced from the level and reached fresh highs in the 1.1860 price zone, despite generally upbeat US employment data and plummeting equities.
- > The GBP/USD pair fell to 1.3280 following disappointing UK data as August Services PMI, was downwardly revised to 58.8 from a preliminary estimate of 60.1.
- > USD/JPY pair surged to a weekly high of 106.55 before retreating to around 106.00 level, amid equities collapse, which boosted demand for the safe-haven yen.
- > The aussie ceded ground yesterday to the US dollar but remains above 0.7250 despite the downbeat Australian Retail Sales data published earlier today.
- > The loonie dropped heavily against the US dollar yesterday and trades around 1.3130 ahead of Canadian employment data and US Nonfarm Payrolls later today.
- > South African rand firmed to 16.7175 per dollar ahead of the US Non farms payrolls.
- > The USD/MUR opens at the same levels as yesterday, with the market awaiting the US jobs data later today. The EUR/MUR on the other hand, edges 12 cents higher this morning with the EUR/USD trading in the surroundings of 1.1855.

Daily Technical View

EUR/USD - The correction lower in the pair stalled at 1.1790 as buyers emerged ahead of the key 1.1750 support level and the market recovered to a session high of 1.1864 during the New York session. Ahead of today's US Non-Farm payrolls data we expect trading to be in a 1.1810-80 range and on the wide 1.1750-1.1900.

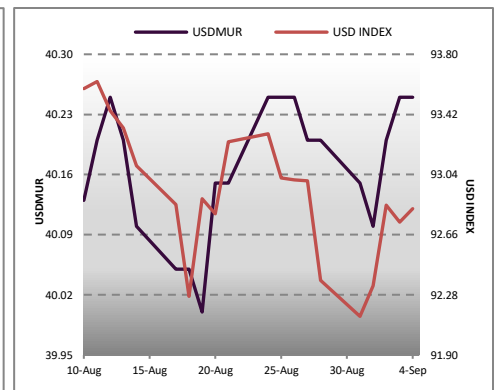
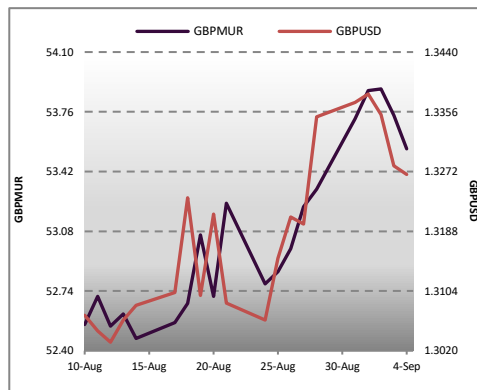
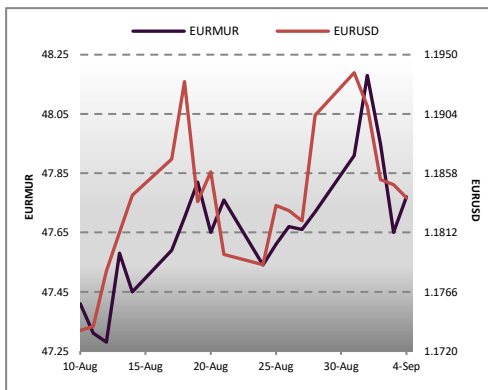
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.46	(0.19)	29.60	(0.20)
CNYMUR	5.74	(0.01)	6.03	(0.01)
EURMUR	46.38	0.12	47.77	0.12
JPYMUR	36.68	0.02	38.15	0.02
ZARMUR	2.31	0.01	2.46	0.01
USDMUR	39.35	-	40.25	-
GBPMUR	51.99	(0.18)	53.55	(0.19)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.47	28.51	28.57	29.65	29.75	29.91
EURMUR	46.47	46.66	46.93	47.88	48.14	48.53
ZARMUR	2.30	2.28	2.25	2.45	2.44	2.41
USDMUR	39.35	39.36	39.38	40.27	40.33	40.44
GBPMUR	52.04	52.14	52.29	53.62	53.80	54.07



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7272	0.7278	0.7252	0.7267
EURUSD	1.1848	1.1858	1.1838	1.1845
GBPUSD	1.3279	1.3296	1.3262	1.3272
USDJPY	106.17	106.22	106.07	106.18
USDCHF	0.9092	0.9105	0.9091	0.9106
USDCNH	6.85	6.85	6.84	6.85

Major Indices

	Value at Close	Day Change %
DOW JONES	29,100.50	(2.78)
S&P 500	3,455.06	(3.51)
FTSE 100	5,850.86	(1.52)
DAX	13,057.77	(1.40)
CAC 40	5,009.52	(0.44)
NIKKEI 225	23,193.06	(1.16)
HANGSENG	24,647.99	(1.44)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
3-Sep	12 30	US	Initial Jobless Claims	Aug	881K	950K	1011K
3-Sep	14 00	US	ISM Services PMI	Aug	56.9	57.0	58.1
4-Sep	00 30	AU	Retail Sales s.a. (MoM)	Jul	3.2%	3.3%	3.3%
4-Sep	12 30	US	Nonfarm Payrolls	Aug	-	1400K	1763K

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

- > US Treasury yields retreated yesterday, as a stock-market selloff spurred inflows into haven assets such as government paper ahead of the official jobs report release for August.
- > Haven investments rallied as a vicious selloff swept across Wall Street stocks only a day after the S&P and Nasdaq Composite closed at records. The tech-heavy Nasdaq finished around 5 percent lower, while the blue-chip Dow Jones Industrial gave 2.8 percent.
- > The US Labor Department reported that the weekly jobless claims fell to a seasonally adjusted 881,000 in the last week of August, lower than the consensus estimate of 950,000. This lower number reflects changes made by the Bureau of Labour Statistics to account for seasonal swings in employment.
- > In other data, the trade deficit widened by USD 63.6 billion in August. Second-quarter productivity was revised up to 10.1 percent, while labour costs rose by 9 percent over the same stretch.
- > The 10-year Treasury note yield declined to 0.621 percent, while the 2-year note rate traded lower at 0.125 percent.
- > The 364-Day Bank of Mauritius Treasury Bills will be auctioned once again for today, for the nominal amount of MUR 3,500 Mio.

Market Highlights
Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.55	0.40
2M	0.60	0.45
3M	0.65	0.50
4M	0.70	0.55
6M	0.85	0.70
8M	1.00	0.85
10M	1.15	1.00
1Y	1.30	1.15

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Local Secondary Market T-Bonds

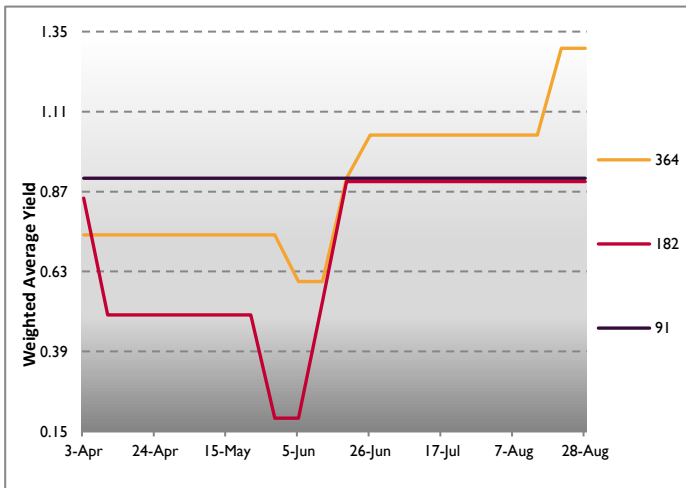
	Bid (%)	Offer (%)
2 year	1.70	1.50
3 year	1.85	1.65
4 Year	2.00	1.80
5 Year	2.20	1.95
10 Year	2.60	2.35
15 year	2.90	2.65
20 Year	3.20	2.95

Key Central Bank Rates

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

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.1329	0.250
UK Bonds	-0.097	-0.052
German Bonds	-0.698	-0.703

Local Treasury Bills Market

Money Market Rates

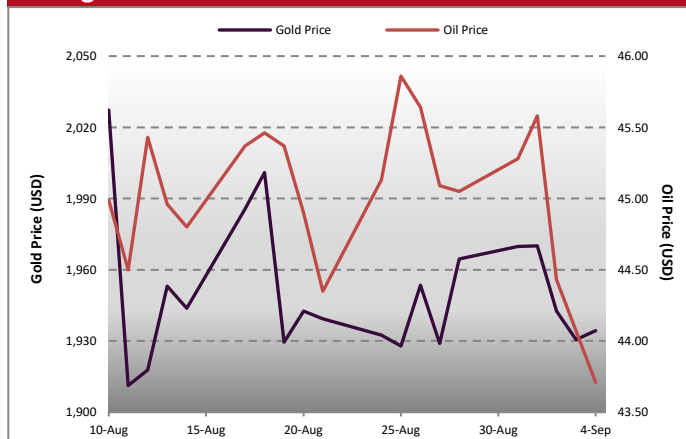
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.551	-0.547	-0.505	-0.474
USD	0.103	0.155	0.251	0.288
GBP	0.060	0.055	0.062	0.124
EURIBOR	-0.530	-0.507	-0.478	-0.451

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.505	-0.461	-0.387	-0.246
USD LIBOR - 3m	0.229	0.332	0.470	0.666

*Pay fixed and receive floating swap

COMMODITIES
Rolling Gold & Oil Prices


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News

- > Spot gold extended losses on Thursday, edging to its lowest level in one-week, as the appeal of the precious metal was dented by hopes for a swift economic rebound in the US, recently ravaged by the COVID-19 pandemic.
- > Gold prices recouped ground this morning amid flight to safety, following sharp declines in equities and Treasury yields. All eyes are now on US non-farm payrolls due later in the day.
- > Oil prices dropped further on oversupply worries, as demand for the commodity remained low.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	41.75	(2.91)
Gold (\$)	1,936.76	6.24