

## FOREIGN EXCHANGE MARKET

### News

> The US dollar weakened across the board on Wednesday as markets reacted to Fed Chairman Jerome Powell comments dispelling hopes for a 75-basis point rate hike.

> As anticipated the Fed raised rates by 50 basis points and announced the beginning of balance sheet reduction. Yet it was the removal of the possibility of a 75 basis point hike that moved currencies, forcing the USD lower.

> EUR/USD ignored the underperformance of Euro Retail Sales released on Wednesday and soared above 1.0620 as investors underpinned risk-sensitive currencies on Fed policy release.

> GBP/USD advanced beyond the 1.2600 level on the back of US dollar weakness while attention now turn to the Bank of England monetary policy decision this Thursday.

> USD/JPY inched down to 128.75 amid broader weakness in the greenback ahead of the US Nonfarm Payrolls to be released on Friday.

> AUD/USD surged through trade on Wednesday, hitting a high of 0.7266 as the Fed refrained from speeding up hikes.

> The Canadian dollar strengthened the most in two weeks against its US counterpart on Wednesday as oil prices rose after the European Union, the world largest trading bloc, outlined plans to phase out imports of Russian oil.

> USD/MUR opens at MUR 43.35/USD on the back of the single currency shooting above the 1.0600 handle. The EUR/MUR pair opens at MUR 46.31/EUR on the offer.

### Daily Technical View

EUR/USD – The single currency bolstered 130 pips higher to 1.0640 after US Federal Reserve featured a 50 basis points rate hike and tamed down the 75 basis points rumors, in yesterday's monetary policy guidance. A bullish structure is morphed to test key Fibonacci cluster near 1.0687 resistance and could see further extension to 1.0709. A dive below support at 1.0560/75 would question the upward bias.

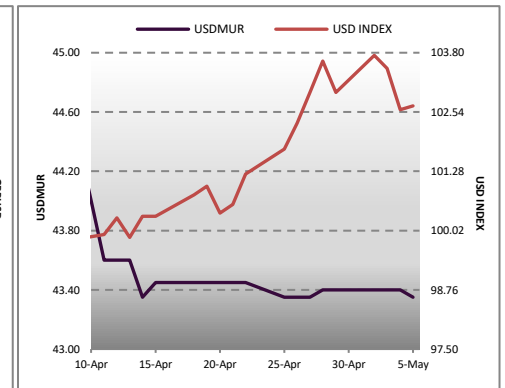
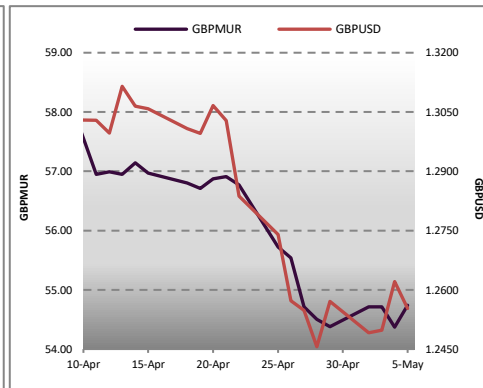
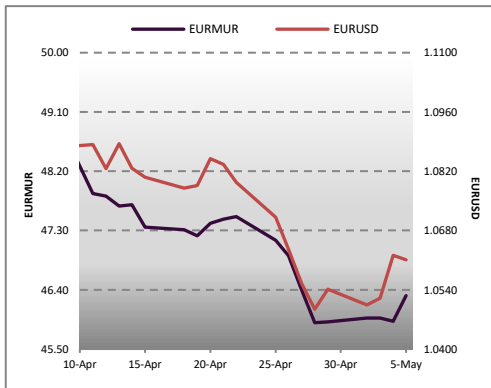
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.59	0.51	31.81	0.53
CNYMUR	6.40	0.01	6.73	0.01
EURMUR	44.96	0.38	46.31	0.39
JPYMUR	32.55	0.22	33.85	0.23
ZARMUR	2.70	0.05	2.88	0.06
USDMUR	42.45	(0.05)	43.35	(0.05)
GBPMUR	53.15	0.36	54.74	0.37

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.58	30.53	30.36	31.84	31.88	31.87
EURMUR	44.96	44.93	44.88	46.37	46.50	46.70
ZARMUR	2.68	2.65	2.59	2.88	2.87	2.86
USDMUR	42.41	42.29	42.04	43.36	43.36	43.33
GBPMUR	53.11	53.00	52.74	54.75	54.75	54.74



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7260	0.7266	0.7228	0.7244
EURUSD	1.0621	1.0641	1.0605	1.0614
GBPUSD	1.2621	1.2635	1.2542	1.2565
USDJPY	129.05	129.55	128.76	129.37
USDCHE	0.9720	0.9748	0.9711	0.9745
USDCNH	6.62	6.64	6.62	6.64

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	33,128.79	2.81
S&P 500	4,300.17	2.99
FTSE 100	7,493.45	(0.90)
DAX	13,970.82	(0.49)
CAC 40	6,395.68	(1.24)
NIKKEI 225	26,818.53	(0.11)
HANGSENG	20,948.58	0.38

### 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	57.1	58.5	58.3
4-May	18 00	US	Fed Interest Rate Decision	-	1.0%	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**

> As expected, the US Federal Reserve lifted the fed-funds rate by 50 basis points, or a half percentage point, to a range between 0.75 percent and 1 percent, while outlining its plan to begin shrinking its almost USD 9 trillion balance sheet on June 1. Policy makers stated that ongoing rate hikes will be appropriate.

> During a post-meeting press conference, the Federal Reserve Chairman Mr. Jerome Powell announced that the Fed had the tools and resolved to bring inflation down to its 2 percent target, and that additional 50 basis point hikes should be on the table over the next couple of meetings. He added that policy makers are not actively considering a larger 75 basis point move.

> The 2-year US Treasury-note dropped 15.4 basis points to 2.614 percent, while the yield on the 10-year Treasury note declined by 4.3 basis points to 2.914 percent. The 30-year Treasury bond yield retreated by less than 1 basis point to 3.001 percent.

> The result of the Five-Year Government of Mauritius Bonds were as follows: out of 20 bids received, only 5 were successful, with the weighted average yield published at 3.10 percent.

> Tomorrow, the Bank of Mauritius will hold the auction for the 364-day Government of Mauritius Treasury bills for a nominal amount of MUR 500 Mio as well as the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 1,200 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	2.55	2.35
4 Year	2.90	2.70
5 Year	3.15	2.90
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	0.75-1.00	0.25 - 0.50
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	2.6606	2.923
UK Bonds	1.634	1.737
German Bonds	0.245	0.690

**Money Market Rates**

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.832	1.363	1.981
GBP	-	1.006	1.282	1.764
EURIBOR	-0.566	-0.543	-0.425	-0.198

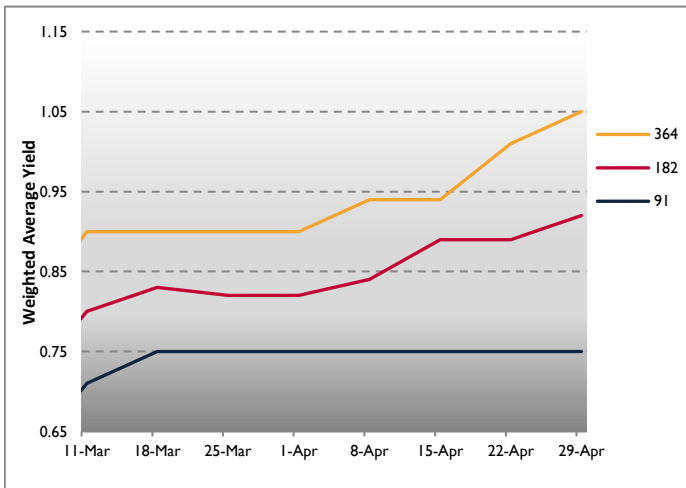
\* LIBOR rates delayed by 48 hours. Source: ICE

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	0.933	1.434	1.555	1.739
USD LIBOR - 3m	3.010	3.028	3.019	3.028

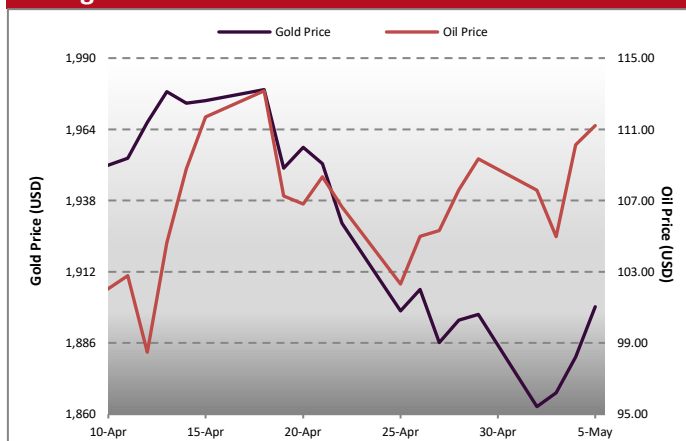
\*Pay fixed and receive floating swap

**Auction Results of Treasury Bills**



**COMMODITIES**

**Rolling Gold & Oil Prices**



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**News**

> Oil was up this morning in Asia, extending gains from the previous session after the European Union unveiled new sanctions against Russia. The market is also responding to a meeting of the OPEC+ Joint Technical Committee, which signaled the likelihood of further oil output increases beyond the previously discussed 432,000 barrels per day for June.

> Gold prices rose as US Treasury yields and the dollar fell after the Fed Chair toned down hawkish bets. On Thursday, the Federal Reserve raised its benchmark policy rate by half a percentage point, the largest hike in 22 years.

**Spot Market**

	Today	Change (\$)
Brent Crude Oil (\$)	108.75	2.96
Gold (\$)	1,900.61	19.69