

FOREIGN EXCHANGE MARKET

News

- > The US dollar weakened across the board on Wednesday as easing global political tensions increased risk appetite, triggering a rise in US stocks.
- > The EUR/USD pair recovered to 1.1039 as the greenback remained subdued on fear of an upcoming recession, following the release of the ISM Manufacturing PMI on Tuesday.
- > The British pound surged to 1.2230 against the USD after UK lawmakers voted to take control of Parliament and introduce legislation intended to stop a no-deal Brexit on October 31.
- > The safe-haven yen continued its downward momentum as global stock markets recovered amid reports of positive China and US trade developments.
- > The rally in AUD/USD continued as news that the US-China trade talks will take place in October propelled the pair comfortably above 0.6800.
- > The Loonie surged to 1.3220 against the US dollar as the Bank of Canada left interest rates unchanged and adopted a less dovish tone than generally expected.
- > South African rand rose to a four-week high against the USD trading around 14.75 on Wednesday backed by a better-than-expected jump in second-quarter growth and improved risk sentiment globally.
- > The US Dollar loses 11 cents against the Rupee, with the US ISM Non-Manufacturing PMI data in the pipeline for today.

Daily Technical View

EUR/USD - The recovery in the pair reached a session high of 1.1039 in Asia this morning on broad-based dollar weakness. The next technical resistance is at the 1.1075/1.1115 area, with a break opening more upside target at 1.1300, on the downside the year's low at 1.0930 needs to hold to avoid a drop towards FIBO support at 1.0815.

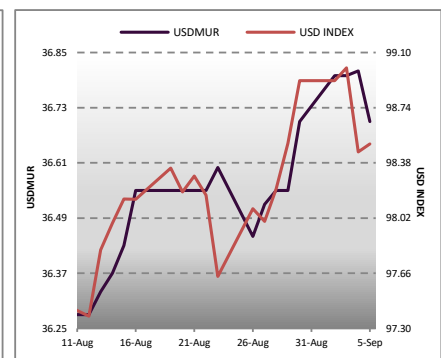
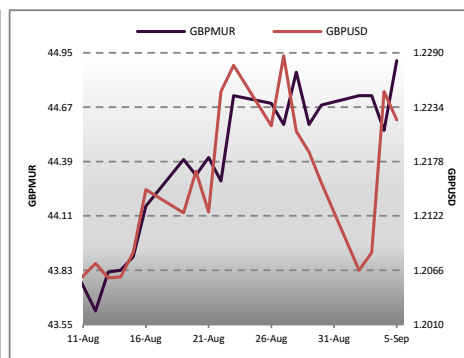
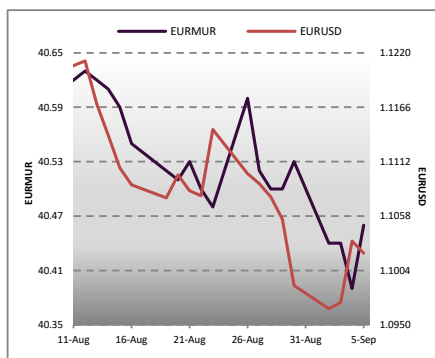
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.29	0.08	25.26	0.08
CNYMUR	5.01	0.01	5.27	0.01
EURMUR	39.28	0.07	40.46	0.07
JPYMUR	33.26	(0.28)	34.59	(0.29)
ZARMUR	2.39	0.04	2.51	0.04
USDMUR	35.80	(0.11)	36.70	(0.11)
GBPMUR	43.60	0.35	44.91	0.36

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.31	24.37	24.46	25.31	25.44	25.63
EURMUR	39.37	39.58	39.91	40.58	40.86	41.30
ZARMUR	2.38	2.36	2.33	2.50	2.49	2.48
USDMUR	35.81	35.84	35.93	36.73	36.82	37.01
GBPMUR	43.66	43.80	44.03	45.00	45.21	45.57



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6796	0.6825	0.6795	0.6815
EURUSD	1.1035	1.1039	1.1021	1.1026
GBPUSD	1.2250	1.2259	1.2223	1.2225
USDJPY	106.35	106.75	106.33	106.48
USDCHF	0.9806	0.9843	0.9806	0.9833
USDCNH	7.15	7.15	7.12	7.14

Major Indices

	Value at Close	Day Change %
DOW JONES	26,118.02	0.91
S&P 500	2,937.78	1.08
FTSE 100	7,311.26	0.59
DAX	12,025.04	0.96
CAC 40	5,532.07	1.21
NIKKEI 225	21,125.52	2.31
HANGSENG	26,429.87	(0.35)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
5-Sep	12 30	US	Initial Jobless Claims	Aug	-	215K	215K
5-Sep	14 00	US	ISM Non-Manufacturing PMI	Aug	-	54.0	53.7
6-Sep	09 00	EU	Gross Domestic Product s.a. (YoY)	Q2	-	1.1%	1.1%
6-Sep	12 30	US	Nonfarm Payrolls	Aug	-	158K	164K

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 yields fell on Wednesday after dovish speeches by senior Federal Reserve officials spurred expectation for the US Central Bank to embark on a more aggressive easing path.
- > The two-year note rate sensitive to expectations for Fed policy, slipped 3 basis points to 1.436 percent, its lowest since September 2017.
- > The 10-year Treasury note yield fell 1.3 basis points to 1.456 percent, while the 30-year bond yield climbed 3.9 basis points to 1.989 percent.

> The 10-year German government bond yield climbed 4.7 basis points to negative 0.675 percent.

> The result of the auction for the 10-Year Government of Mauritius Bonds for a nominal amount of MUR 1,500 Mio was as follows: out of 19 bids received, only 4 were successful, with a weighted average yield of 4.41 percent and a bid to cover ratio of 2.83.

> Tomorrow, the Central Bank will hold the auction for the 91-Day, 182-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 1,300 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.00	-
2M	3.05	-
3M	3.10	2.95
4M	3.20	-
6M	3.30	3.15
8M	3.31	-
10M	3.33	-
1Y	3.35	3.20

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.55	3.35
3 year	3.70	3.50
4 Year	3.90	3.70
5 Year	4.10	3.85
10 Year	4.65	4.40
15 year	5.20	4.95
20 Year	5.85	5.60

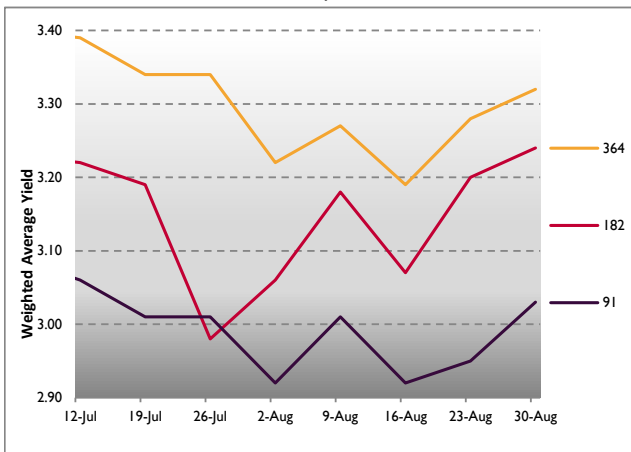
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	3.35	3.50
Fed Funds Rate	2.00 - 2.25	2.25 - 2.50
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.00	1.00

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	1.4799	1.361
UK Bonds	0.357	0.348
German Bonds	-0.888	-0.918

Local Treasury Bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.459	-0.503	-0.482	-0.474
USD	2.137	2.067	2.127	2.012
GBP	0.687	0.708	0.757	0.776
EURIBOR	-0.413	-0.435	-0.448	-0.448

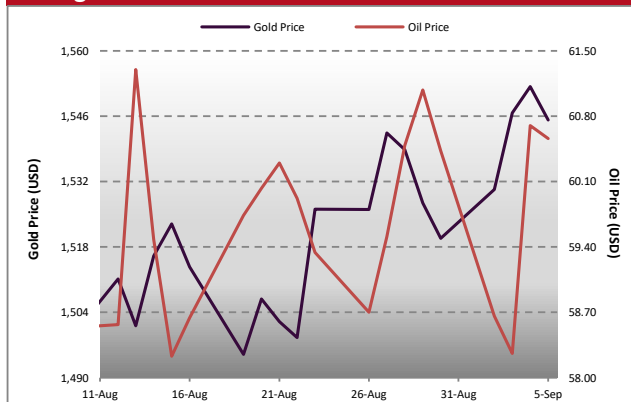
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.617	-0.659	-0.441	-0.141
USD LIBOR - 3m	1.465	1.282	1.310	1.382

*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 peaked to a 6-year high overnight despite return of risk appetite to markets as a dive in US Treasury yields to a three-year low boosted demand for the safe haven commodity. Prices were also supported after US President Donald Trump threatened on Tuesday to be "tougher" on Beijing if the trade fight dragged on into his second term.

> Oil prices rebounded sharply from earlier losses to trade at USD 60.62 a barrel this morning after the US confirmed that talks with China to reach a trade agreement would be held in the coming weeks.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	60.94	2.86	60.58	(0.12)
Gold (\$)	1,545.40	(6.95)	1,545.00	(5.30)