

## FOREIGN EXCHANGE MARKET

### News

- > The dollar continues to be supported by risk aversion on growing concern about the inverted yield curve.
- > The euro was little changed yesterday, having retreated from the high of USD 1.1419 hit on Tuesday as US financial markets were closed.
- > The pound sterling remains rangebound as trades are on the sidelines on uncertainty about the Brexit deal.
- > The USD/JPY pair is back at 112.65, as of writing, after taking a breather yesterday in thin US trading.
- > The AUD/USD pair continues in its downward trend and seems to be heading towards 0.7200, as narrowing Australian trade surplus outweighed upbeat retail sales data.
- > The USD/CAD pair rose to its highest level in 18 months at 1.3399 as the loonie came under heavy selling pressure after the Bank of Canada left its policy rate unchanged at 1.75 percent, acknowledging recent weakness in the energy sector and delivering an overall dovish message in its communique.
- > Since hitting a four-month high on Tuesday, showing the economy was out recession in the third quarter, the rand has been retreating to be at 13.93 per dollar.
- > The US Dollar drops 3 cents this morning against the Rupee, ahead of Federal Reserve Chair J. Powell's speech tonight.

### Daily Technical View

EURUSD - The pair is trading in a bear trend and is currently trapped between the 1.1300 and 1.1400 levels. We might see a slow grind lower to 1.1320 and possibly 1.1280.

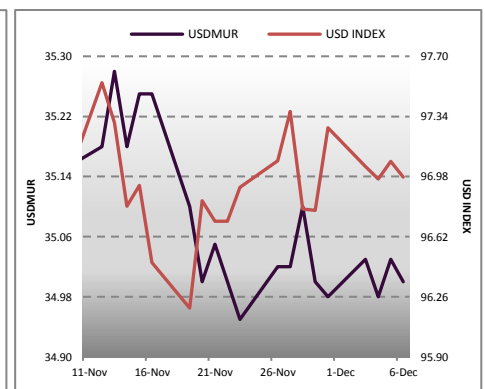
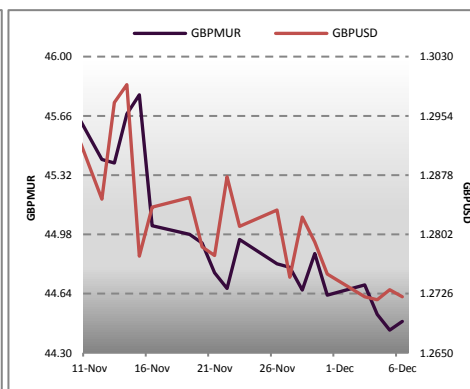
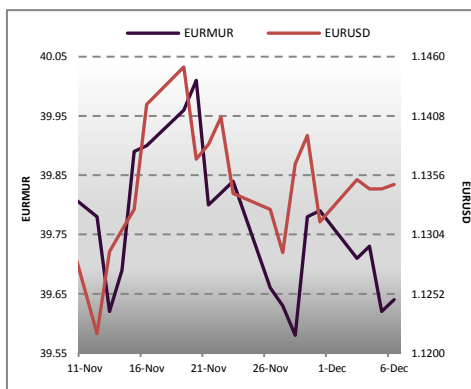
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.50	(0.25)	25.48	(0.26)
CNYMUR	4.94	(0.02)	5.19	(0.02)
EURMUR	38.49	0.02	39.64	0.02
JPYMUR	29.96	0.04	31.16	0.04
ZARMUR	2.41	(0.02)	2.53	(0.02)
USDMUR	34.10	(0.03)	35.00	(0.03)
GBPMUR	43.18	0.04	44.48	0.05

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.51	24.52	24.55	25.53	25.59	25.73
EURMUR	38.60	38.82	39.16	39.78	40.06	40.51
ZARMUR	2.40	2.39	2.35	2.52	2.51	2.49
USDMUR	34.12	34.13	34.15	35.04	35.11	35.21
GBPMUR	43.26	43.41	43.64	44.59	44.81	45.16



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7268	0.7273	0.7219	0.7230
EURUSD	1.1344	1.1353	1.1339	1.1351
GBPUSD	1.2731	1.2753	1.2719	1.2725
USDJPY	113.18	113.20	112.59	112.68
USDCHF	0.9974	0.9979	0.9960	0.9966
USDCNH	6.86	6.89	6.86	6.88

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,826.43	(3.10)
S&P 500	2,700.06	(3.24)
FTSE 100	6,921.84	(1.44)
DAX	11,200.24	(1.19)
CAC 40	4,944.37	(1.36)
NIKKEI 225	21,447.14	(2.15)
HANGSENG	26,131.80	(2.56)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
07-Dec	10:00	EU	Gross Domestic Product s.a. (YoY)	Q3	-	-	1.7%
07-Dec	13:30	US	Average Hourly Earnings (YoY)	Nov	-	3.1%	3.1%
07-Dec	13:30	US	Nonfarm Payrolls	Nov	-	205K	250K
07-Dec	13:30	CA	Unemployment Rate	Nov	-	-	5.8%

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**

- > The 10-year US Treasury recouped some losses but stayed below the 3 percent level trading at 2.96 percent at official close yesterday while the 2-year US rates were trading at 2.82 percent at closing time.
- > The spread between the 2-year and the 10-year Treasury yield contracted even more to 10.1 basis points as bond trading re-opened following a US financial market holiday yesterday.
- > The narrowing spread have rattled global equity markets as investors fret about a slowdown in the US economy while news of the arrest of a top executive of Chinese tech giant Huawei prompted a selloff in US and Asian shares.

- > The result of the Ten-Year Government of Mauritius Treasury Bonds for a nominal amount of MUR 2,000 Mio was as follows: out of 16 bids received, 8 were successful, with a weighted average yield of 5.42 percent.
- > Tomorrow, the Bank of Mauritius will issue the 91-Day, 182-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,000 Mio.

**Market Highlights**

**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	3.15	-
2M	3.25	-
3M	3.34	3.19
4M	3.44	-
6M	3.53	3.38
8M	3.57	-
10M	3.61	-
1Y	3.65	3.50

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

**Local Secondary Market T-Bonds**

	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.50	4.30
4 Year	4.75	4.55
5 Year	5.20	4.95
10 Year	5.45	5.20
15 year	6.13	5.88
20 Year	6.20	5.95

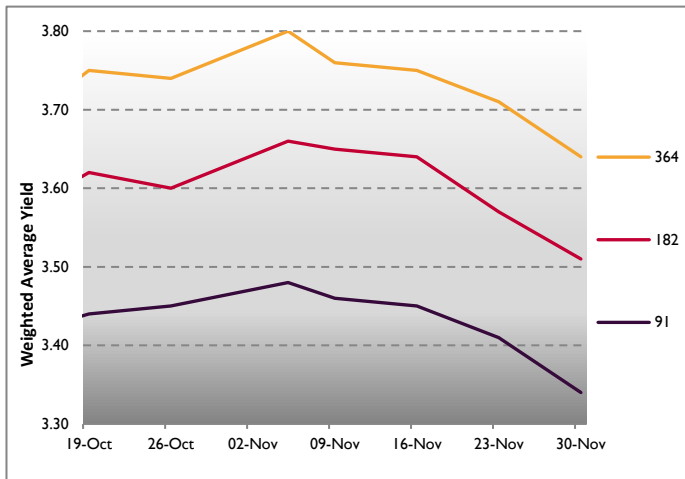
**Key Central Bank Rates**

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.00 - 2.25	2.00 - 2.25
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	2.7764	2.755
UK Bonds	0.752	0.9
German Bonds	-0.601	-0.268

**Local Treasury Bills Market**



**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.437	-0.412	-0.349	-0.327
USD	2.226	2.383	2.766	2.891
GBP	0.711	0.736	0.898	1.023
EURIBOR	-0.377	-0.367	-0.316	-0.247

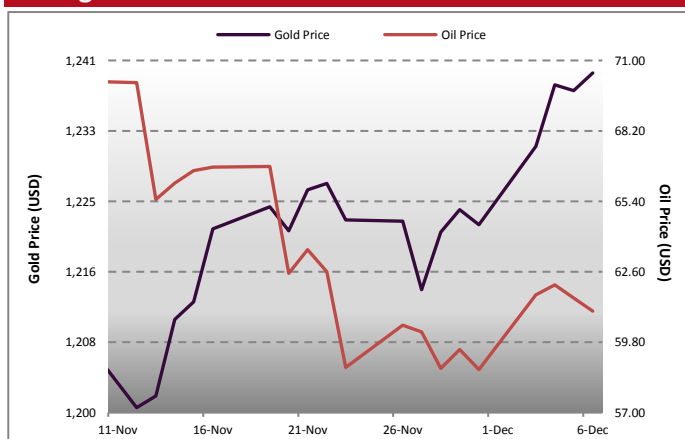
**Indicative Generic Swap Rates\* (%)**

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.195	0.218	0.481	0.813
USD LIBOR - 3m	2.947	2.872	2.880	2.949

\*Pay fixed and receive floating swap

**COMMODITIES**

**Rolling Gold & Oil Prices**



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**News**

- > Oil prices lost some ground yesterday on release of data from the American Petroleum Institute showing a rise in crude inventories while weaker stock markets yesterday also dragged oil prices lower.
- > The much-awaited meeting of the OPEC at its headquarters in Vienna is due today and will keep investors nervous as the main agenda is to decide on the oil output policy, which should have significant impact on oil price in the coming months.
- > Gold prices pulled back from near 5-month high yesterday, at USD 1,247.50 its highest level since July 2018, in a holiday thin trading yesterday in honour of former President George H.W. Bush's funeral.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	61.44	0.19	61.04	(0.52)
Gold (\$)	1,239.76	2.28	1,239.30	2.20