

## FOREIGN EXCHANGE MARKET

### News

- > The greenback held steady against its peers on Wednesday, showing little reaction to US President Donald Trump State of the Union address, which touched upon trade and budget issues but provided investors with few surprises.
- > EUR/USD fell to 1.1410 as the single currency was pressured after a survey released on Tuesday showed euro zone businesses expanded at their weakest rate since mid-2013 at the start of the year.
- > The GBP/USD tumbled below the 1.3000 psychological and hit 1.2952 after softer-than-expected UK data undermined the pound sterling, as the UK Services PMI was down to 50.1 from 51.2 in December, its lowest in two-and-a-half years and the second-weakest since December 2012.

- > The Australian dollar weakened below the 0.7200 level in Asian trade after Central Bank chief Philip Lowe opened the door to a possible rate cut after more than a year of signalling tighter future policy.
- > The Canadian dollar edged lower against its US counterpart on Tuesday as oil prices fell, but the currency traded in a narrow range as stocks rose ahead of domestic jobs data due at the end of the week.
- > The USD gains 3 cents this morning, with President Donald Trump's State of the Union address expected today.

### Daily Technical View

EURUSD - The pair broke 1.1410 and is remaining on the lows this morning. The stronger US dollar is gaining against European currencies despite weaker than expected US data and the immediate supports are 1.1375 followed by 1.1350. On the upside 1.1425/1.1440 region offers resistance for now.

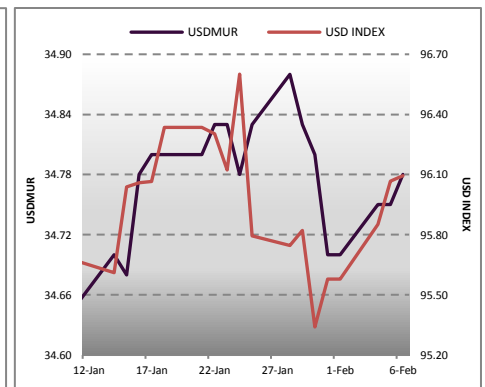
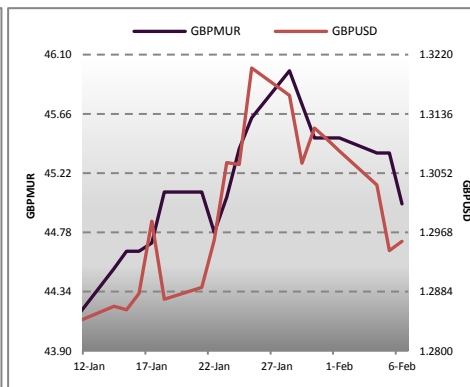
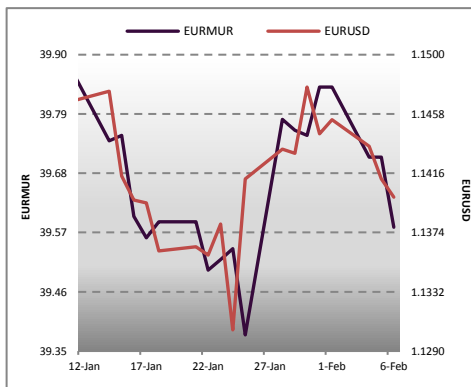
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.11	(0.24)	25.07	(0.25)
CNYMUR	5.00	0.01	5.26	0.01
EURMUR	38.43	(0.12)	39.58	(0.13)
JPYMUR	30.54	(0.01)	31.76	(0.01)
ZARMUR	2.49	-	2.61	-
USDMUR	33.88	0.03	34.78	0.03
GBPMUR	43.68	(0.37)	44.99	(0.38)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.11	24.12	24.14	25.11	25.17	25.29
EURMUR	38.53	38.72	39.04	39.70	39.96	40.39
ZARMUR	2.48	2.46	2.43	2.60	2.59	2.57
USDMUR	33.88	33.87	33.88	34.80	34.85	34.94
GBPMUR	43.75	43.87	44.08	45.09	45.28	45.61



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7233	0.7245	0.7152	0.7153
EURUSD	1.1404	1.1418	1.1395	1.1400
GBPUSD	1.2947	1.2962	1.2938	1.2955
USDJPY	109.96	110.05	109.64	109.79
USDCHE	0.9999	1.0002	0.9988	0.9997
USDCNH	6.76	6.77	6.76	6.76

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,239.37	0.68
S&P 500	2,737.70	0.47
FTSE 100	7,177.37	2.04
DAX	11,367.98	1.71
CAC 40	5,083.34	1.66
NIKKEI 225	20,901.56	0.27
HANGSENG	27,990.21	0.21

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
07-Feb	12 00	UK	BoE Interest Rate Decision	-	-	0.75%	0.75%
07-Feb	13 30	US	Initial Jobless Claims	Feb	-	227K	253K
08-Feb	13 30	CA	Unemployment Rate	Jan	-	-	5.6%

**News**

- > US Treasury yields fell on Tuesday, with the 10-year sliding from one-week highs, as the market priced in the Federal Reserve dovish interest rate view amid an uncertain global economic outlook.
- > US two-year yields also declined from one-week peaks, while 30-year yields dropped after rising for two straight days.
- > The Fed last week struck a cautious tone on the US economy, suggesting it will pause its rate-hike cycle, or ease monetary policy if the economy warrants it.
- > The result of the 182-Day Government of Mauritius Treasury Bills was as follows: out of 7 bids received, only 4 were successful, with the weighted average yield published at 3.48 percent.

- > As for the 91-Day and 364-Day Bank of Mauritius Treasury Bills, the weighted average yields were published at 3.26 percent and 3.63 percent respectively.
- > Today, the Bank of Mauritius will hold the auction for the 20-Year Government of Mauritius bonds for a nominal amount of MUR 1,900 Mio.
- > The Bank of Mauritius published the Principal Interest rate in Mauritius for the month of December, depicting a 0.2 percent rise in the weighted average rupee deposit rate of banks from the previous month, to 1.72 percent and a 0.13 percent decrease in the weighted average rupee lending rate of banks from November to 6.21 percent.

**Market Highlights**

**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	3.05	-
2M	3.15	-
3M	3.27	3.12
4M	3.37	-
6M	3.48	3.33
8M	3.53	-
10M	3.58	-
1Y	3.63	3.48

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

**Local Secondary Market T-Bonds**

	Bid (%)	Offer (%)
2 year	3.95	3.75
3 year	4.15	3.95
4 Year	4.45	4.25
5 Year	4.95	4.70
10 Year	5.50	5.25
15 year	6.10	5.85
20 Year	6.20	5.95

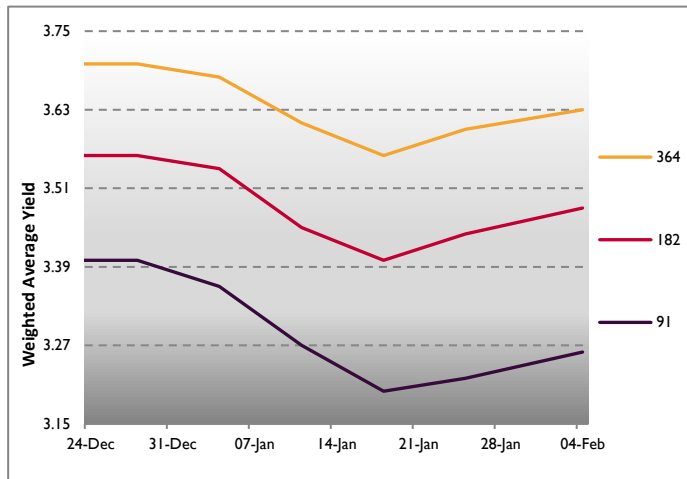
**Key Central Bank Rates**

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.25 - 2.50
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	2.5222	2.510
UK Bonds	0.76	0.872
German Bonds	-0.565	-0.337

**Local Treasury Bills Market**



**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.443	-0.419	-0.339	-0.298
USD	2.411	2.512	2.739	2.778
GBP	0.696	0.731	0.915	1.029
EURIBOR	-0.374	-0.367	-0.307	-0.235

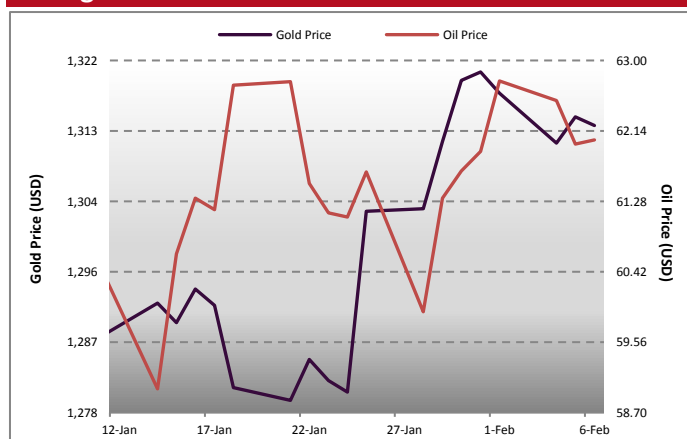
**Indicative Generic Swap Rates\* (%)**

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.214	0.094	0.326	0.646
USD LIBOR - 3m	2.662	2.598	2.636	2.723

\*Pay fixed and receive floating swap

**COMMODITIES**

**Rolling Gold & Oil Prices**



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Source: MCB Treasury, Reuters, Bloomberg, Bank of Mauritius

**News**

- > Crude oil prices tumbled in the last session pressured by weak services data from the US namely a 6-month low in services sector activity for January as reported by the Institute of Supply Management.
- > Traders will be closely watching any development in the US-China trade war this week as the latter is the biggest oil importer and its importance cannot be understated.
- > The yellow metal recovered this morning after having touched a 1-week low of USD 1,308 yesterday but is trading in a tight range as market players look ahead to a key speech from President Donald Trump at his annual State of the Union address to Congress.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	61.78	(0.93)	62.04	0.06
Gold (\$)	1,314.51	(0.44)	1,312.30	(1.90)