

FOREIGN EXCHANGE MARKET

News

- > The greenback ticked to a two-week peak of 97.008 against a basket of currencies on Tuesday as unexpectedly strong data on US services industries and new home sales allayed some worries about the state of the economy.
- > The GBP/USD trades lower yesterday after the opposition Labour party's finance spokesman was quoted as stating that few lawmakers would back PM Theresa May's proposed Brexit deal, and there was little sign of a breakthrough in talks with Brussels. The pound dropped 0.6 percent to a one-week low of USD 1.3097 before recovering to slightly above the USD 1.3100 level.
- > The EUR/USD pair retreated to 1.1298, hovering near two-week lows amid bets that the European Central Bank meeting on Thursday would indicate a delay in raising rates until next year.
- > AUD/USD resumes a week-long descent as Aussie Q4 GDP comes in lower than expected and Australia is considered to have entered a "per capita" recession.
- > The loonie retreats further as USD/CAD trades near a fresh six week high of 1.3370 flashed earlier, ahead of today's BoC monetary policy meeting.
- > The USD/JPY pair touched an overnight fresh two-months high at 112.14 on the back of a firmer US dollar before recouping some of its losses and trading at 111.75 as of writing.
- > The South African rand opens firmer at 14.18 against the US dollar compared to yesterday's session after data showing the economic recovery continued in the fourth quarter of last year, albeit at a slower rate.
- > The Bank of Mauritius intervened on the domestic foreign exchange market at the bid rate of MUR 34.50/USD yesterday.
- > The US Dollar opens 28 cents higher this morning, while the Euro gains 22 cents ahead of the ECB interest rate decision tomorrow.

Daily Technical View

EUR/USD - The EUR weakened to 1.1290 against the USD as investors are bracing for a dovish outcome at tomorrow's ECB meeting following a deteriorating outlook in the euro-zone area. The good support at 1.1280 is under threat, with break targeting key support level at 1.1210 whereas on the upside 1.1360/80 levels need to be regained to ease current downside pressure.

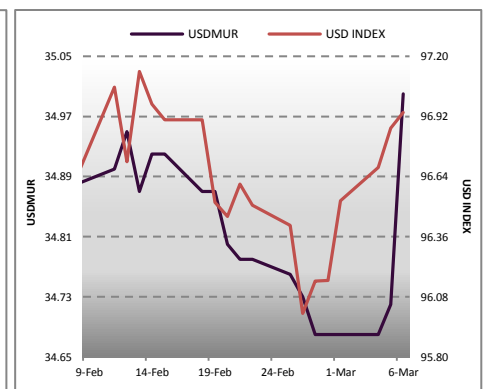
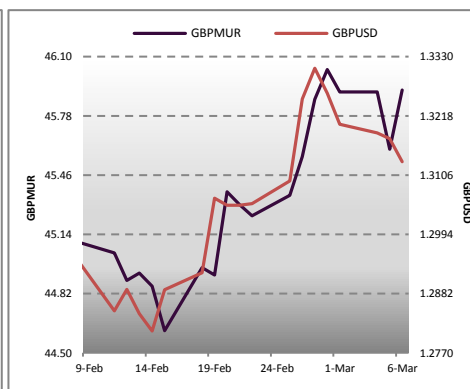
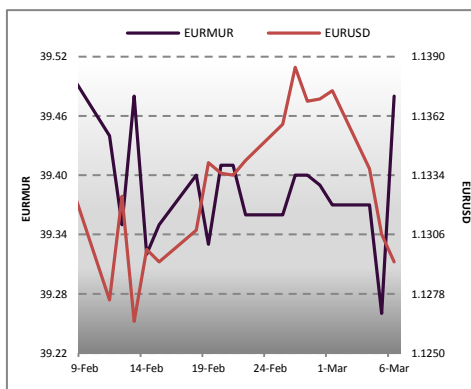
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.87	0.05	24.82	0.05
CNYMUR	5.06	0.02	5.32	0.02
EURMUR	38.33	0.21	39.48	0.22
JPYMUR	30.21	0.29	31.42	0.30
ZARMUR	2.37	0.02	2.49	0.02
USDMUR	34.10	0.28	35.00	0.28
GBPMUR	44.58	0.31	45.92	0.32

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.87	23.88	23.90	24.85	24.92	25.04
EURMUR	38.43	38.62	38.94	39.60	39.86	40.29
ZARMUR	2.36	2.34	2.31	2.48	2.47	2.45
USDMUR	34.10	34.09	34.10	35.02	35.07	35.16
GBPMUR	44.65	44.78	44.99	46.02	46.22	46.55



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7081	0.7092	0.7029	0.7033
EURUSD	1.1311	1.1319	1.1290	1.1295
GBPUSD	1.3177	1.3178	1.3125	1.3132
USDJPY	111.87	111.91	111.73	111.84
USDCHE	1.0042	1.0055	1.0041	1.0058
USDCNH	6.70	6.73	6.70	6.72

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	25,819.65	(0.05)
S&P 500	2,789.65	(0.11)
FTSE 100	7,183.43	0.69
DAX	11,620.74	0.24
CAC 40	5,297.52	0.21
NIKKEI 225	21,568.22	(0.73)
HANGSENG	29,072.21	0.38

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
06-Mar	15 00	CA	BoC Interest Rate Decision	-	-	1.75%	1.75%
07-Mar	10 00	EU	Gross Domestic Product s.a. (YoY)	Q4	-	1.2%	1.2%
07-Mar	12 30	US	Initial Jobless Claims	Feb	-	225K	225K
07-Mar	12 45	EU	ECB Interest Rate Decision	-	-	0.0%	0.0%

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

- > Treasury yields held their ground yesterday, after a gauge of the service sector's health suggested the US economy's momentum has remained robust.
- > The 10-year US Treasury note yield was virtually unchanged at 2.722 percent, while the two-year note yield was up 0.6 basis points to 2.551 percent.
- > The bond market's muted action comes in the wake of data highlighting strength in the US services industry, considered a more significant driver of the US economic engine than manufacturing.
- > Today, the Bank of Mauritius will hold the auction for a New Benchmark 5-year Government of Mauritius Bonds, for a nominal amount of MUR 2,000 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.07	-
2M	3.17	-
3M	3.28	3.13
4M	3.39	-
6M	3.50	3.35
8M	3.54	-
10M	3.59	-
1Y	3.63	3.48

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	4.90	4.65
10 Year	5.50	5.25
15 year	6.05	5.80
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	2.5344	2.516
UK Bonds	0.805	1.006
German Bonds	-0.503	-0.333

Money Market Rates

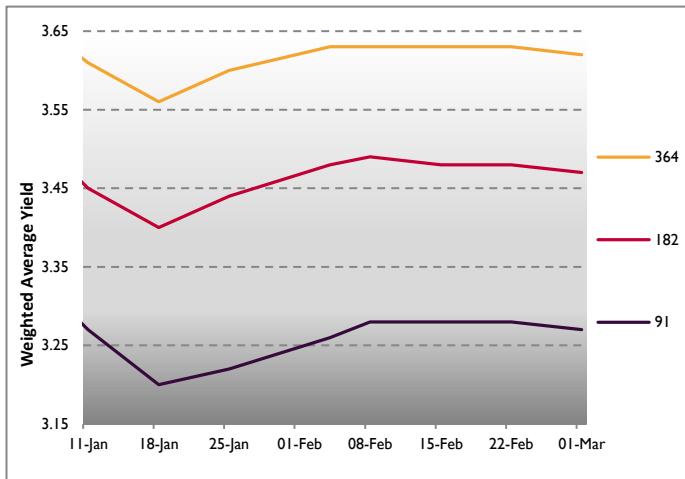
LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.448	-0.412	-0.336	-0.295
USD	2.417	2.481	2.607	2.685
GBP	0.697	0.729	0.848	0.984
EURIBOR	-0.373	-0.367	-0.309	-0.230

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.217	0.165	0.409	0.748
USD LIBOR - 3m	2.632	2.577	2.626	2.726

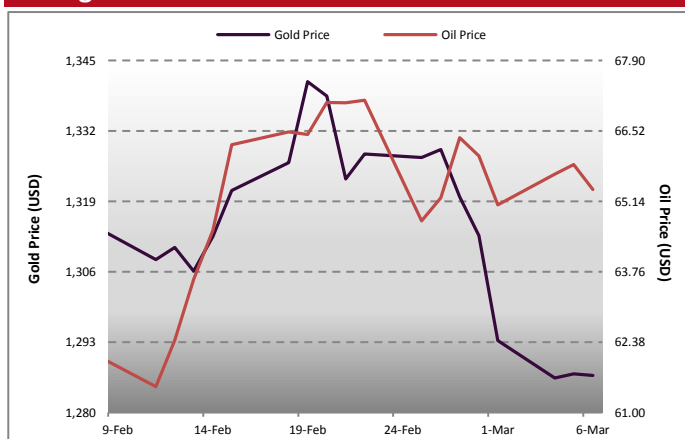
*Pay fixed and receive floating swap

Local Treasury Bills Market



COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices headed higher yesterday despite the restart of production at Libya's largest oil field, which is expected to reach an initial output of 80,000 barrels per day, as investors remain confident in OPEC-led efforts to tighten crude supply, offsetting the Libyan field reopening.
- > Gold prices held steady overnight and traded near five-lows touched in the previous as a firmer US dollar and optimism over a likely US-China trade deal dented safe-haven appeal of the previous metal.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	63.70	(0.19)	65.34	(0.52)
Gold (\$)	1,288.06	0.88	1,287.10	5.10