

## FOREIGN EXCHANGE MARKET

### News

- > The greenback fell sharply against its major peers on Thursday due to speculation that the Federal Reserve will further cut interest rates this year following a surprised 50 basis points reduction on Tuesday in order to protect the economy from the negative impact of the worldwide spreading of the coronavirus while focus today will be on the February US nonfarm payrolls report.
- > EUR/USD rallied to a seven-month high of 1.1248 as the single currency remains strong with investors selling risk in favor of safe havens on reports stating the coronavirus is looking like a global pandemic.
- > GBP/USD pair extended the recovery from a four-month low of 1.2725 to a one-week high of 1.2946, amid broad dollar weakness.
- > The USD/JPY tumbled to a 6-month low at 105.75 on steep fall in US equities.
- > AUD/USD dropped below the 0.6600 level in Asian trade this morning on the back of a negative surprise on the Australian retail sales data.
- > The Canadian dollar weakened against its US counterpart on Thursday as investors grew more concerned about the economic impact of the coronavirus and the Bank of Canada left the door open to further interest rate cuts.
- > South African rand edged lower to 15.69 against the dollar after the government confirmed the country first case of coronavirus.
- > The Bank of Mauritius Governor Mr Seegolam held a Special Banking Committee meeting with Chief Executives of banks yesterday to jointly assess the potential impact of the outbreak of COVID-19 on banking services and the domestic economy.
- > The EUR/MUR breaks the 42 level against the rupee this morning, tracking the EUR/USD, while the USD/MUR recedes by 15 cents on speculation of further cut rates by the Fed.

### Daily Technical View

EUR/USD - The single pair hit a high of 1.1248 during overnight trading and that was the highest level since August 2019. Above 1.1240 next resistance level is 1.1275 before seeing 1.1320 while 1.1180 will support the downward move. Later today we have the Non-Farm payrolls figures out in the US.

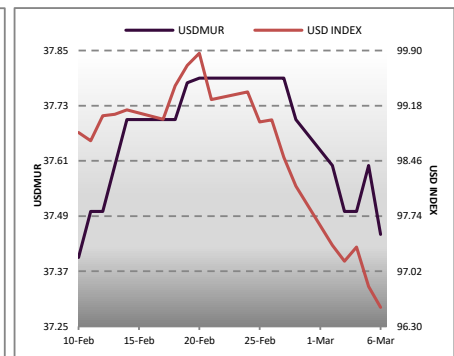
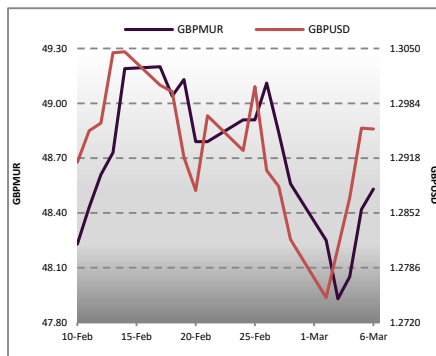
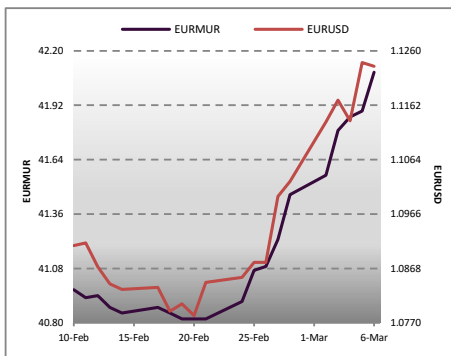
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.00	(0.17)	24.96	(0.18)
CNYMUR	5.24	(0.04)	5.51	(0.04)
EURMUR	40.86	0.19	42.09	0.20
JPYMUR	34.20	0.34	35.57	0.36
ZARMUR	2.29	(0.07)	2.44	(0.07)
USDMUR	36.55	(0.15)	37.45	(0.15)
GBPMUR	47.12	0.11	48.53	0.11

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.01	24.03	24.06	24.99	25.07	25.19
EURMUR	40.93	41.08	41.29	42.18	42.39	42.70
ZARMUR	2.28	2.26	2.22	2.43	2.42	2.39
USDMUR	36.55	36.54	36.53	37.47	37.51	37.58
GBPMUR	47.16	47.24	47.35	48.59	48.74	48.96



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6612	0.6623	0.6586	0.6597
EURUSD	1.1236	1.1248	1.1213	1.1237
GBPUSD	1.2952	1.2965	1.2945	1.2954
USDJPY	106.15	106.34	105.76	105.85
USDCHF	0.9451	0.9466	0.9438	0.9449
USDCNH	6.94	6.96	6.93	6.96

#### Major Indices

	Value at Close	Day Change %
DOW JONES	27,090.86	(3.58)
S&P 500	3,023.94	(3.39)
FTSE 100	6,705.43	(1.62)
DAX	11,944.72	(1.51)
CAC 40	5,361.10	(1.90)
NIKKEI 225	20,680.19	(3.04)
HANGSENG	26,160.29	(2.27)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
6-Mar	13 30	US	Nonfarm Payrolls	Feb	-	175K	225K
6-Mar	13 30	US	Average Hourly Earnings (YoY)	Feb	-	3.0%	3.1%
6-Mar	13 30	CA	Unemployment Rate	Feb	-	5.6%	5.5%
6-Mar	13 30	CA	Net Change in Employment	Feb	-	10.0K	34.5K

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

- > US Treasury yields weakened as a volatile stock market helped draw investors to government paper, amid worries about the COVID-19 outbreak's potential to upend American consumer activity and supply chains.
- > Fresh worries that the coronavirus would start to weigh on the US economy pushed the 10-year Treasury yield further below 1 percent. So far, the US impact has yet to significantly materialise in hard data, but analysts believe that it is inevitable that economic growth will take a hit in the first quarter.
- > The 10-year US Treasury note yield dropped slumped 7 basis points to 0.924 percent, after setting an intraday record low of 0.902 percent. The benchmark maturity booked its eleventh straight session of declines.
- > The 2-year note rate gave away 5.4 basis points to 0.585 percent, its lowest since July 2016 while the 30-year bond yield 6.6 basis points to 1.570 percent, a record closing low.
- > Today, the Bank of Mauritius will issue the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 900 Mio as well as the 91-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,000 Mio.

### Market Highlights

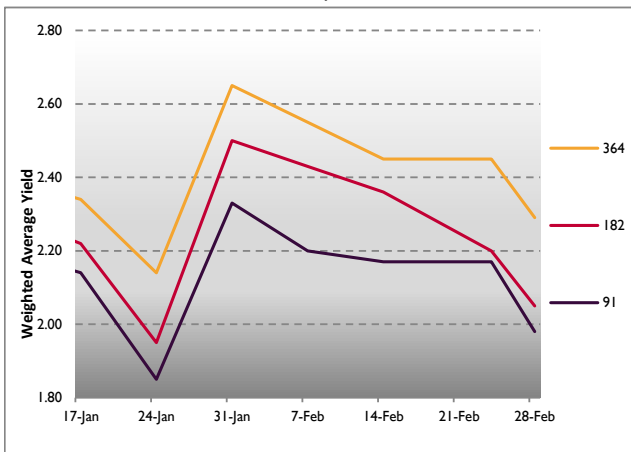
Local Secondary Market T-Bills			Local Secondary Market T-Bonds			Key Central Bank Rates		
	Bid (%)	Offer (%)		Bid (%)	Offer (%)		Current (%)	Previous (%)
1M	1.90	-	2 year	2.90	2.70	BOM Repo Rate	3.35	3.35
2M	1.95	-	3 year	3.15	2.95	Fed Funds Rate	1.00 - 1.25	1.50 - 1.75
3M	2.00	1.85	4 Year	3.30	3.10	BoE Bank Rate	0.75	0.75
4M	2.03	-	5 Year	3.50	3.25	ECB Ref. Rate	0.0	0.0
6M	2.05	1.90	10 Year	4.20	3.95	RBA Cash Rate	0.50	0.75
8M	2.12	-	15 year	4.75	4.50			
10M	2.22	-	20 Year	5.35	5.10			
1Y	2.30	2.15						

Government Benchmark Yields (%)		
	2 Year	5 Year
US Bonds	0.4983	0.595
UK Bonds	0.134	0.207
German Bonds	-0.877	-0.866

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

### Local Treasury Bills Market



### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.561	-0.565	-0.492	-0.474
USD	1.144	1.016	1.000	0.989
GBP	0.551	0.507	0.503	0.505
EURIBOR	-0.507	-0.502	-0.468	-0.418

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

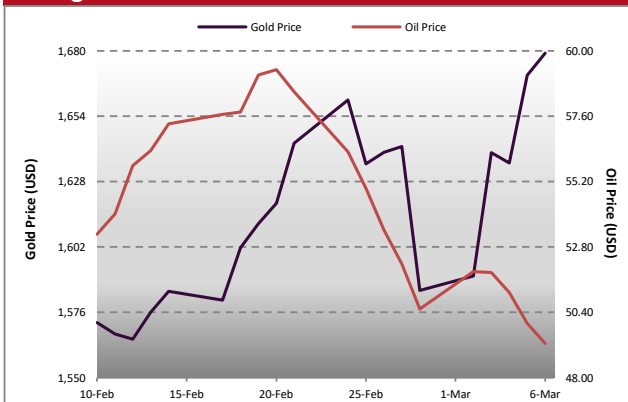
### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.525	-0.487	-0.417	-0.282
USD LIBOR - 3m	0.608	0.680	0.730	0.844

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

### News

- > Oil prices tumbled 2 percent yesterday and fell below the key level of USD 50.0 per barrel after uncertainties persisted over the participation of non-OPEC members, namely Russia and Kazakhstan, in the production cut where they were expected to contribute 500,000 barrels per day to the overall extra cut.
- > Gold prices posted sharp gains overnight and are on track to post their biggest weekly gains since 2016 on mounting fears that the global coronavirus outbreak could deal a hard blow to the economy. Expectations from markets that central banks will continue to cut rates to stabilise confidence also supported the rally in the commodity.

### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	51.65	(0.34)
Gold (\$)	1,679.95	9.64