

FOREIGN EXCHANGE MARKET

News

- > The US dollar was marginally higher in New York trade on Thursday following the release of robust US ADP and ISM Non-manufacturing data and positive signs in the trade negotiations between the US and China. Focus today will be on the release of the August Nonfarm Payroll report.
- > The EUR/USD retreated to 1.1033 after hitting a high of 1.1084 on renewed USD strength while the EU will release the final reading of Q2 GDP later today.
- > The pound rallied across the board and hit a month high of 1.2353 against the USD as risk of no-deal Brexit decreased after UK lawmakers voted to force UK Prime Minister Boris Johnson to seek a 3-month delay to Brexit if he failed to secure a Brexit deal.
- > The USD/JPY pair rose to a 5-week high at 107.22 on upbeat US data as well as solid gains in US equities.
- > AUD/USD consolidates recent gains above 0.6800 despite broad-based USD strength ahead of US NFP data.
- > The Loonie is back on the front foot today, despite USD strength, after momentarily breaking below the 1.3200 handle against the US dollar yesterday.
- > South African rand weakened on Thursday after data showed the current account deficit widened in the second quarter from the first, dampening positive economic momentum generated on Tuesday by data showing GDP grew more than forecast.
- > The US Dollar maintains the same levels as yesterday against the Rupee, with the US non-farm payrolls data and a speech from Fed Chair Jerome Powell in the pipeline for today as well as the Eurozone's GDP.

Daily Technical View

EUR/USD - A roller coaster session saw the EUR trading to a high of 1.1084 against the USD before paring its gains to close the day almost unchanged at 1.1033 after better-than-expected US Non-Manufacturing data and US and China agreed to resume trade talks. Ahead of today's US Non-farm payrolls data the market is likely to trade in a 1.1000-1.1065 range and on the wide 1.0960-1.1145.

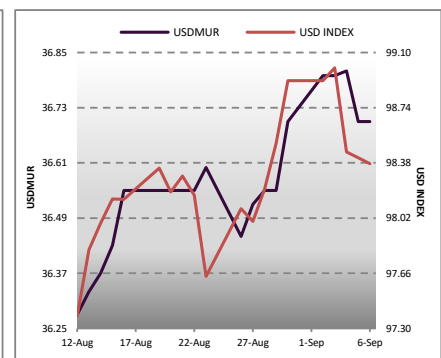
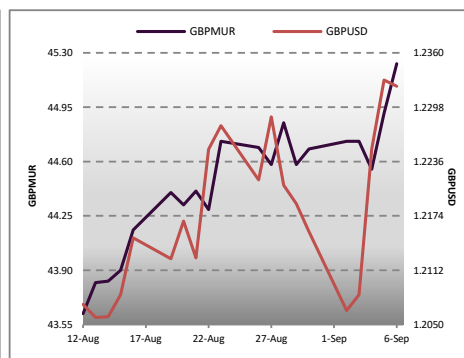
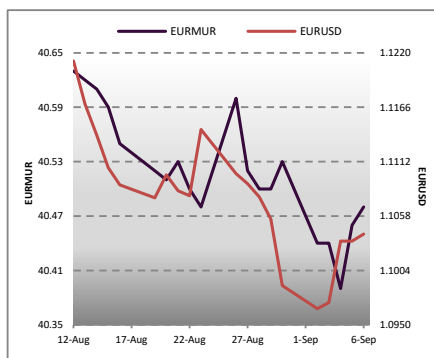
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.30	0.01	25.27	0.01
CNYMUR	5.00	(0.01)	5.26	(0.01)
EURMUR	39.30	0.02	40.48	0.02
JPYMUR	33.12	(0.14)	34.44	(0.15)
ZARMUR	2.37	(0.02)	2.49	(0.02)
USDMUR	35.80	-	36.70	-
GBPMUR	43.91	0.31	45.23	0.32

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.32	24.38	24.47	25.32	25.45	25.64
EURMUR	39.39	39.60	39.93	40.60	40.88	41.32
ZARMUR	2.36	2.34	2.31	2.48	2.47	2.46
USDMUR	35.81	35.84	35.93	36.73	36.82	37.01
GBPMUR	43.97	44.11	44.35	45.32	45.54	45.89



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6813	0.6823	0.6808	0.6822
EURUSD	1.1033	1.1041	1.1030	1.1041
GBPUSD	1.2329	1.2339	1.2321	1.2324
USDJPY	106.94	107.09	106.90	107.01
USDCHF	0.9857	0.9873	0.9855	0.9871
USDCNH	7.14	7.15	7.14	7.14

Major Indices

	Value at Close	Day Change %
DOW JONES	26,355.47	1.41
S&P 500	2,976.00	1.30
FTSE 100	7,271.17	(0.55)
DAX	12,126.78	0.85
CAC 40	5,593.37	1.11
NIKKEI 225	21,222.19	0.65
HANGSENG	26,624.40	0.41

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
5-Sep	12 30	US	Initial Jobless Claims	Aug	217K	215K	216K
5-Sep	14 00	US	ISM Non-Manufacturing PMI	Aug	56.4	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 rose on Thursday after the US and China agreed to meet in early October to renew trade talks, easing investor appetite for haven assets like government paper.
- > The 2-year note rate surged 10.8 basis points to 1.544 percent, marking its biggest daily increase since February 2015.

- > The 10-year Treasury note yield climbed 11.3 basis points to 1.569 percent, marking its biggest one-day rise since November 2016 while the 30-year bond yield rose 10.8 basis points to 2.060 percent, its biggest daily rise since October 2018.
- > Today, 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

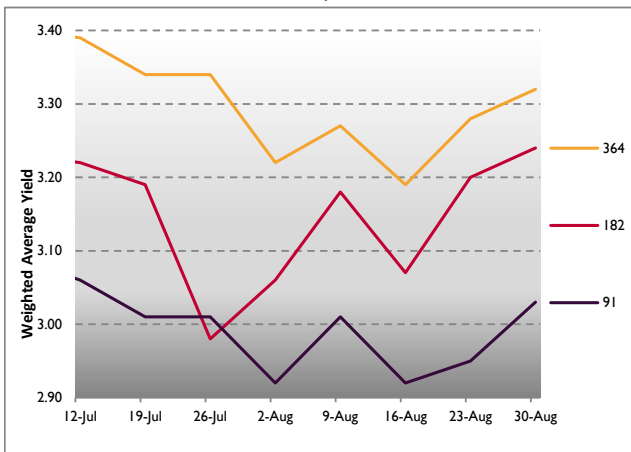
Key Central Bank Rates

	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	1.5382	1.438
UK Bonds	0.429	0.413
German Bonds	-0.854	-0.875

Local Treasury Bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.454	-0.496	-0.481	-0.463
USD	2.132	2.057	2.112	1.987
GBP	0.689	0.709	0.762	0.787
EURIBOR	-0.404	-0.441	-0.443	-0.439

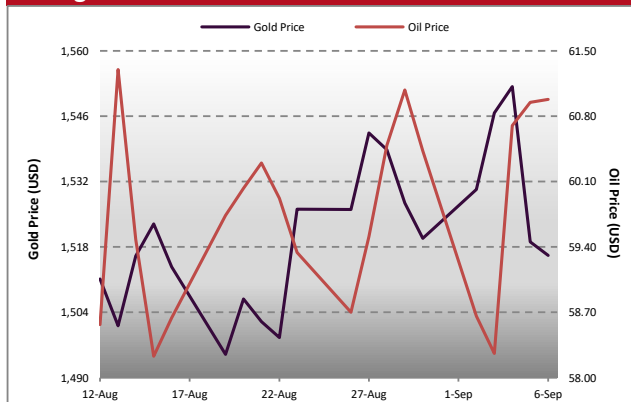
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.585	-0.541	-0.432	-0.234
USD LIBOR - 3m	1.513	1.351	1.376	1.458

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices maintained the trend and rose yesterday amid easing tensions between Washington and Beijing after they both agreed to hold high-level talks next month while a larger than expected drawdown in US stockpiles, as per data released from the Energy Information Administration, added to the overall bullish sentiment.
- > The yellow metal recorded its biggest daily drop overnight as the ease of US-China trade tensions coupled with release of strong US economic data drove investors into riskier assets. Market players will be closely watching release of non-farm data later today.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	62.96	2.03	60.98	0.03
Gold (\$)	1,517.37	(1.73)	1,513.30	(2.10)