

## FOREIGN EXCHANGE MARKET

### News

- > The greenback gave up earlier gains and ended generally lower across the board yesterday due to intra-day rally in euro while today market will focus on the US nonfarm payroll report.
- > The EUR/USD rallied to 1.1309 after the ECB upgraded its economic growth and inflation forecasts while keeping rates unchanged as largely expected.
- > The GBP/USD inched up to 1.2713 after Bank of England Governor Mark Carney remained optimistic on the likelihood to raise interest rates.
- > South African rand tumbled against the greenback with the USDZAR pair trading above the 15.00 level as a dispute within in the ruling African National Congress over the Central Bank weakened demand.
- > The Reserve Bank of India cut its policy interest rate by 25 basis points in a widely expected move on Thursday, while also changing its monetary policy stance to accommodative after the economy grew at its slowest pace in over four years in the January-March quarter.
- > AUD/USD traded in a tight range yesterday and the same is true so far today as Aussie loan approvals fail to move the pair.
- > A weak US dollar and improvement in risk sentiment helped the Loonie, driving the USD/CAD pair to 1.3350.
- > The US Dollar loses 8 cents this morning against the Rupee, with the market focus to be on the nonfarm payroll data due later today.

### Daily Technical View

EUR/USD - A roller-coaster session saw the pair swinging in a 1.1216-1.1309 range before closing the day higher at 1.1274 after the ECB upgraded its economic growth and inflation forecasts. Ahead of today's NFP jobs data in the US we expect the market to trade on a bullish bias, with 1.1240 and 1.1200 area providing support on dips and resistance to be found at 1.1325 and at the 200 DMA technical level of 1.1365.

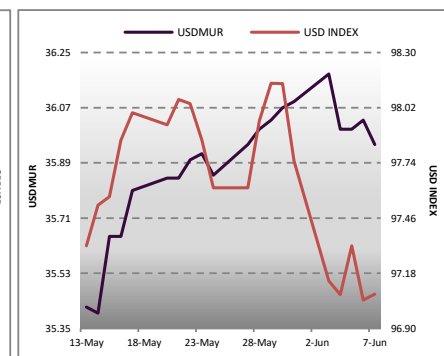
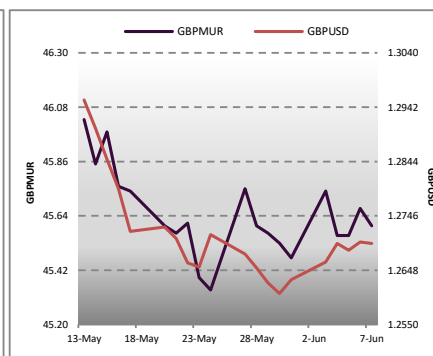
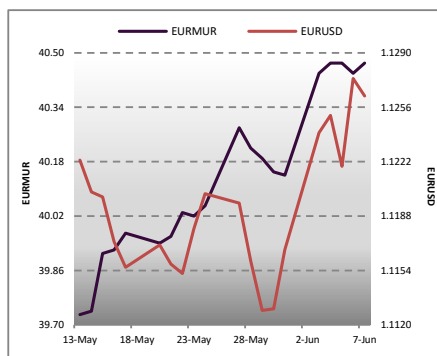
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.32	(0.04)	25.29	(0.04)
CNYMUR	5.04	(0.02)	5.30	(0.02)
EURMUR	39.29	0.03	40.47	0.03
JPYMUR	31.99	(0.15)	33.27	(0.16)
ZARMUR	2.30	(0.03)	2.42	(0.03)
USDMUR	35.05	(0.08)	35.95	(0.08)
GBPMUR	44.27	(0.07)	45.60	(0.07)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.34	24.37	24.44	25.34	25.43	25.60
EURMUR	39.38	39.58	39.91	40.59	40.85	41.29
ZARMUR	2.29	2.27	2.24	2.41	2.40	2.38
USDMUR	35.05	35.05	35.08	35.97	36.03	36.15
GBPMUR	44.33	44.47	44.69	45.69	45.90	46.24



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6976	0.6982	0.6970	0.6973
EURUSD	1.1274	1.1284	1.1264	1.1266
GBPUSD	1.2700	1.2700	1.2689	1.2698
USDJPY	108.40	108.53	108.33	108.44
USDCHF	0.9911	0.9919	0.9910	0.9920
USDCNH	6.93	6.94	6.92	6.94

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,539.57	0.71
S&P 500	2,843.49	0.61
FTSE 100	7,259.85	0.55
DAX	11,953.14	(0.23)
CAC 40	5,278.43	(0.26)
NIKKEI 225	20,896.38	0.59
HANGSENG	26,965.28	0.26

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
6-Jun	09 00	EU	Gross Domestic Product s.a. (YoY)	Q1	1.2%	1.2%	1.2%
6-Jun	11 45	EU	ECB Interest Rate Decision	-	0%	0%	0%
7-Jun	12 30	US	Average Hourly Earnings (YoY)	May	-	3.2%	3.2%
7-Jun	12 30	US	Nonfarm Payrolls	May	-	185K	263K

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 climbed from intraday lows yesterday following reports that President Donald Trump could delay the imposition of tariffs on Mexico.
- > Stocks jumped and government bonds sold off after Bloomberg News reported that the US was contemplating delaying the threatened tariffs on Mexico. This comes as US and Mexican representatives are meeting to resolve their spat over the flow of migrants into US borders.
- > The 10-year US Treasury note yield was virtually unchanged at 2.124 percent, while the 2-year note yield climbed 4.2 basis points to 1.881 percent.
- > Meanwhile, the European Central Bank announced that it could keep rates at present levels until at least 2020, a change from its previous pledge to stand pat at least through the end of 2019. Still, ECB President Mario Draghi stated that the ECB could carry out rate cuts if economic conditions worsened.
- > The 10-year German government bond yield fell 1.6 basis points to negative 0.237 percent.
- > Today, the Bank of Mauritius will issue the 91-Day, 182-Day and 364-Day Bank of Mauritius Bills for a nominal amount of MUR 4,500 Mio.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	1.95	-
2M	2.05	-
3M	2.15	2.00
4M	2.30	-
6M	2.45	2.30
8M	2.52	-
10M	2.58	-
1Y	2.65	2.50

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	3.10	2.90
3 year	3.40	3.20
4 Year	3.70	3.50
5 Year	4.25	4.00
10 Year	5.00	4.75
15 year	5.50	5.25
20 Year	5.85	5.60

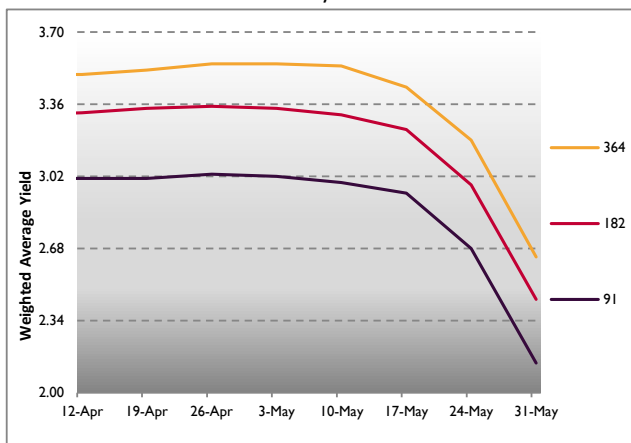
#### Key Central Bank Rates

	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	1.8756	1.884
UK Bonds	0.538	0.593
German Bonds	-0.645	-0.578

#### Local Treasury Bills Market



#### Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.451	-0.425	-0.371	-0.334
USD	2.379	2.412	2.453	2.378
GBP	0.698	0.724	0.786	0.865
EURIBOR	-0.389	-0.383	-0.320	-0.254

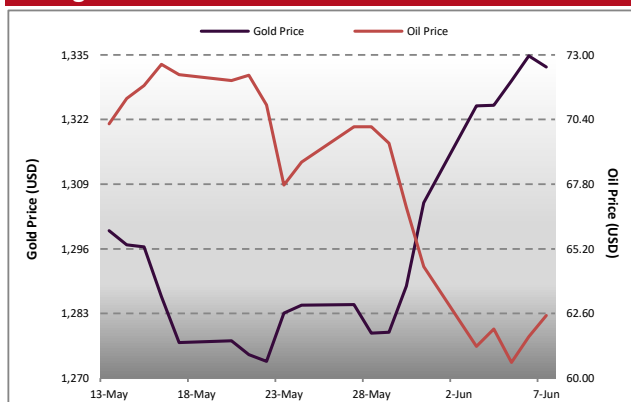
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.350	-0.201	-0.039	0.221
USD LIBOR - 3m	1.932	1.893	1.976	2.096

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > Oil prices rebounded and drove further away from five-months low touched earlier in the week on news that Washington could postpone trade tariffs on Mexico while support also came from possible extension of crude supply cuts from OPEC and other producers.
- > Gold prices traded close to their year high, hitting USD 1,335 overnight, as rate cut expectations and persistent fear about the impact of trade wars continued to boost demand for the bullion.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	64.23	0.64	62.52	0.85
Gold (\$)	1,333.18	(1.62)	1,332.30	(5.30)