

## FOREIGN EXCHANGE MARKET

### News

- > Major currencies have been stuck in tight ranges yesterday as traders shift their focus to the ECB policy review this afternoon whereby the ECB is expected to cut growth forecasts and provide a strong signal to inject cheap funding into the economy.
- > Uncertainty about deadlocks in the Brexit deal continues to weigh on the pound sterling which is trading below USD 1.32 level.
- > Safe haven assets such as the yen and the swiss franc have gained this morning on renewed fear of a slowdown in global growth after the OECD has cut forecasts again for 2019 and 2020.
- > The Australian dollar has hit a fresh two month low of USD 0.70205 after data showed that retail sales have missed expectations while monetary policy is expected to be unchanged with expected slowdown in the economy.
- > The Bank of Canada has held its overnight interest rates unchanged at 1.75 percent yesterday and sent dovish tones about the monetary policy, pushing the Canadian dollar to a two month low.
- > The South African rand has weakened against the dollar, weighed down by a bleak economic outlook.
- > The EUR opens 3 cents higher this morning against the Rupee ahead of the ECB interest rate decision as well as the Eurozone GDP data due later today.

### Daily Technical View

EUR/USD - The pair shuffled in a tight 1.1288-1.1326 range ahead of today's ECB interest rate meeting but bearish sentiment is intact as news filtered out that the European central bank is expected to cut inflation projections through 2021. As long as we trade below 1.1360 nearby resistance level, the risk is for a break of key support level at 1.1280 targeting the year low at 1.1235.

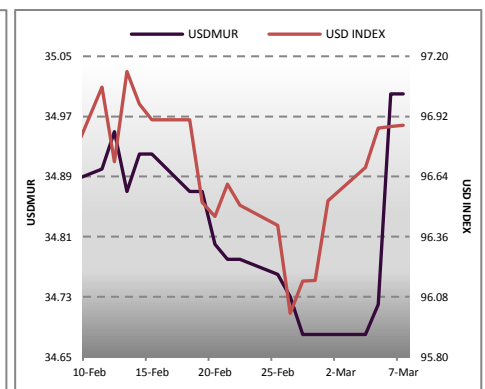
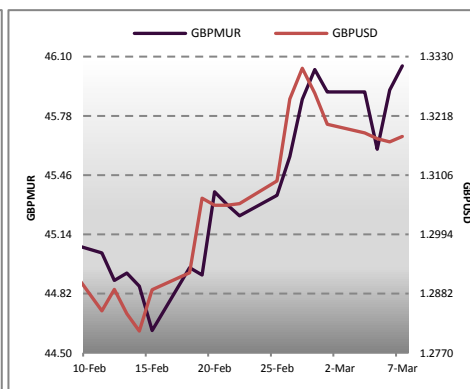
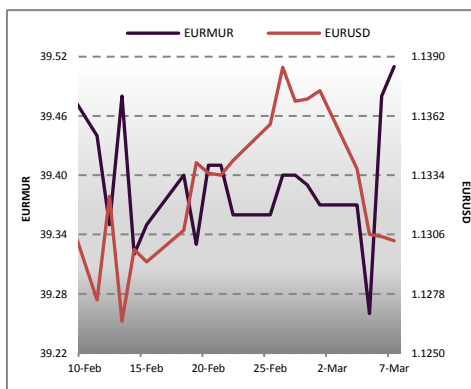
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.91	0.04	24.87	0.05
CNYMUR	5.07	0.01	5.33	0.01
EURMUR	38.36	0.03	39.51	0.03
JPYMUR	30.23	0.02	31.44	0.02
ZARMUR	2.36	(0.01)	2.48	(0.01)
USDMUR	34.10	-	35.00	-
GBPMUR	44.71	0.13	46.05	0.13

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.92	23.94	23.97	24.91	24.99	25.12
EURMUR	38.46	38.66	38.98	39.63	39.90	40.34
ZARMUR	2.35	2.33	2.30	2.47	2.46	2.44
USDMUR	34.10	34.12	34.14	35.03	35.09	35.21
GBPMUR	44.78	44.93	45.15	46.15	46.37	46.72



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7031	0.7051	0.7022	0.7047
EURUSD	1.1305	1.1316	1.1303	1.1305
GBPUSD	1.3168	1.3185	1.3169	1.3180
USDJPY	111.75	111.78	111.58	111.69
USDCHE	1.0048	1.0054	1.0039	1.0046
USDCNH	6.72	6.72	6.71	6.72

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,806.63	(0.52)
S&P 500	2,771.45	(0.65)
FTSE 100	7,196.00	0.17
DAX	11,587.63	(0.28)
CAC 40	5,288.81	(0.16)
NIKKEI 225	21,428.67	(0.78)
HANGSENG	28,842.01	(0.67)

### 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%	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 prices ticked higher yesterday, pushing yields lower, as dovish expectations around the European Central Bank and other developed-market central banks drew investors into government paper across the world.
- > The bond market rallied on reports that the dour economic outlook could prompt the European Central Bank to extend its program of extending cheap loans to eurozone banks, one of the ways the ECB has used to stimulate bank lending.
- > The German 10-year government bond yield, considered a proxy for expectations for European Central Bank policy, fell 4 basis points to 0.128 percent.

- > Meanwhile, the 10-year US Treasury note yield fell 3.1 basis points to 2.692 percent, while the 2-year note yield slipped 3 basis points to 2.520 percent.
- > The result of the 4.57 percent five-year government of Mauritius Bonds was as follows: out of 16 bids received, only 3 were successful, with a bid to cover ratio of 2.75. The weighted average yield was published at 4.58 percent.

**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

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

**Local Secondary Market T-Bonds**

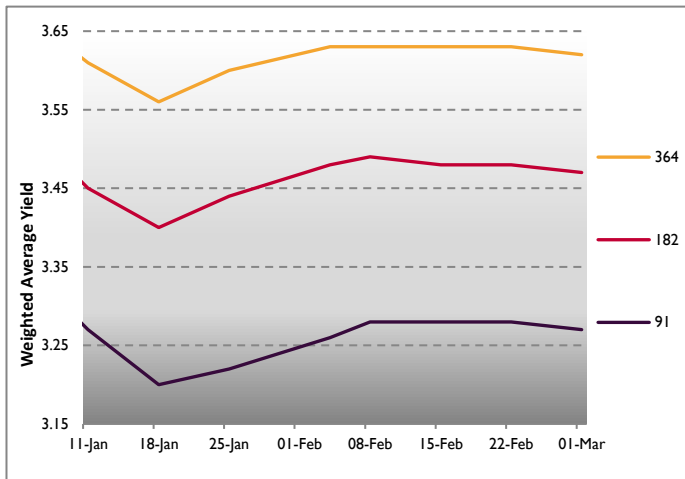
	Bid (%)	Offer (%)
2 year	3.95	3.75
3 year	4.15	3.95
4 Year	4.45	4.25
5 Year	4.90	4.65
10 Year	5.50	5.25
15 year	6.05	5.80
20 Year	6.20	5.95

**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	2.5141	2.496
UK Bonds	0.75	0.937
German Bonds	-0.518	-0.349

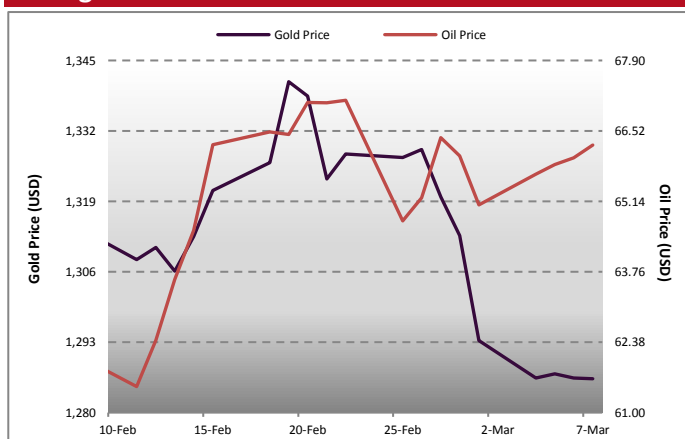
**Local Treasury Bills Market**

**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.448	-0.414	-0.332	-0.299
USD	2.412	2.492	2.595	2.688
GBP	0.698	0.728	0.844	0.984
EURIBOR	-0.373	-0.367	-0.308	-0.231

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.228	0.055	0.270	0.584
USD LIBOR - 3m	2.602	2.550	2.601	2.697

\*Pay fixed and receive floating swap

**COMMODITIES**
**Rolling Gold & Oil Prices**


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**News**

- > Gold prices lost some ground overnight and opened the Asian session at USD 1,286.20 on a firmer US dollar which has been kept steady to strong despite data showed that US non-farm private employment rose less than expected.
- > US sanctions against Venezuela and Iran coupled with OPEC-led supply cuts provided good support for oil prices which rose to USD 66.28 as of writing despite gains were later capped by record US crude output and rising commercial fuel inventories.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	63.97	0.28	66.24	0.25
Gold (\$)	1,286.56	0.20	1,284.90	2.90