

## FOREIGN EXCHANGE MARKET

### News

- > The dollar pared intra-day gains on market optimism of the easing of the current standoff in US debt ceiling debate, but remained close to a 14-month high against the euro with investor concern that surging energy prices, and the resultant inflation, could impair the global economic recovery.
- > EUR/USD pair tumbled to 1.1529, the lowest level since July 2020 on Wednesday on the back of persistent risk-aversion and dismal European data which missed the market expectations, hurting the shared currency. This Thursday, Germany will publish August industrial production, while the US will unveil the initial jobless claims in the week ended October 1.
- > GBP/USD dropped as low as 1.3543 against the dollar on Wednesday as a further surge in energy prices and government bond yields sent investors into safer currencies.
- > The Japanese yen, another safe haven, was mostly flat at 111.40 per dollar, ahead of US jobs report on Friday.
- > After reaching a daily low at 0.7225 on Wednesday, the AUD/USD pair trimmed some of its losses, trading around 0.7280 this morning in Asia on an improved market sentiment.
- > USD/CAD remained below 1.2600 on oil recovery ahead of Canada employment report for September due on Friday, which could offer clues on the BoC policy outlook.
- > The Bank of Mauritius intervened on the domestic foreign exchange market and sold a total of USD 25 Mio at the rate of MUR 42.50/USD
- > Post intervention, the USD/MUR sees a hike to MUR 42.95/USD while the EUR/MUR sheds 10 cents overnight to trade at MUR 49.80/EUR on the offer.

### Daily Technical View

EUR/USD - The single currency traded to a year low of 1.1530 against the greenback as market mood turned risk-averse, with investors fearing that rising energy prices will stall the fragile global economic recovery. Intra-day we expect trading to stay into a 1.1500-1.1590 range ahead of tomorrow's US jobs data.

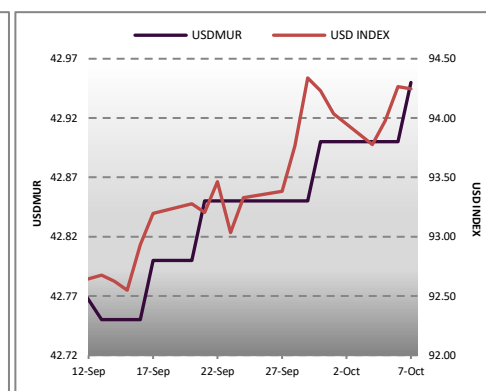
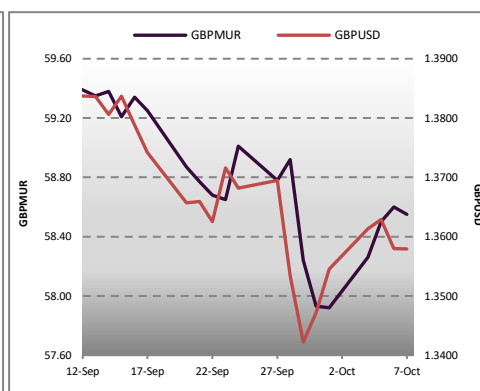
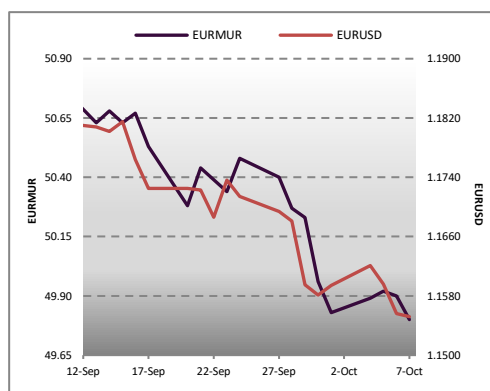
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.48	0.11	31.70	0.12
CNYMUR	6.51	0.01	6.84	0.01
EURMUR	48.35	(0.10)	49.80	(0.10)
JPYMUR	37.36	0.11	38.85	0.11
ZARMUR	2.76	0.02	2.94	0.02
USDMUR	42.05	0.05	42.95	0.05
GBPMUR	56.84	(0.05)	58.55	(0.05)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.47	30.46	30.44	31.73	31.79	31.92
EURMUR	48.34	48.33	48.30	49.86	50.00	50.25
ZARMUR	2.74	2.70	2.63	2.94	2.95	2.96
USDMUR	42.03	41.98	41.89	42.98	43.05	43.19
GBPMUR	56.83	56.79	56.71	58.59	58.69	58.87



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7271	0.7289	0.7270	0.7277
EURUSD	1.1554	1.1561	1.1550	1.1550
GBPUSD	1.3576	1.3597	1.3574	1.3577
USDJPY	111.40	111.50	111.32	111.50
USDCHE	0.9272	0.9285	0.9267	0.9285
USDCNH	6.45	6.46	6.45	6.46

#### Major Indices

	Value at Close	Day Change %
DOW JONES	34,314.67	0.30
S&P 500	4,363.55	0.41
FTSE 100	6,995.87	(1.15)
DAX	14,973.33	(1.46)
CAC 40	6,493.12	(1.26)
NIKKEI 225	27,851.70	1.17
HANGSENG	24,545.32	2.42

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
6-Oct	09 00	EU	Retail Sales (YoY)	Aug	0.0%	0.4%	3.1%
6-Oct	12 15	US	ADP Employment Change	Sep	568K	428K	340K
7-Oct	12 30	US	Initial Jobless Claims	Oct	-	350K	362K
8-Oct	01 45	CN	Caixin Services PMI	Sep	-	50.7	46.7

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

> Growing concerns about inflation drove US bond yields temporarily higher yesterday, before they leveled off during the New York session. Those worries might compel the Federal Reserve to increase the pace of its planned reduction in monthly asset purchases and lift benchmark interest rates sooner if inflation proves to be not as “transitory” as expected.

> A run-up in energy prices in parts of the world, notably in the UK, was highlighting the elevated concerns on inflation, which were weighing on appetite for bonds.

> The 10-year US Treasury note yield eased to 1.524 percent, while the 30-year Treasury bond rate dropped 2 basis points to trade at 2.077 percent. The 2-year Treasury note yields was slightly higher at 0.296 percent.

> Tomorrow, the Bank of Mauritius will hold the auction for the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 700 Mio as well as the auction for the 91-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal value of MUR 2,000 Mio.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.60	0.45
2M	0.65	0.50
3M	0.70	0.55
4M	0.80	0.65
6M	0.90	0.75
8M	0.93	0.78
10M	0.97	0.82
1Y	1.00	0.85

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.40	4.15
15 year	4.65	4.40
20 Year	4.95	4.70

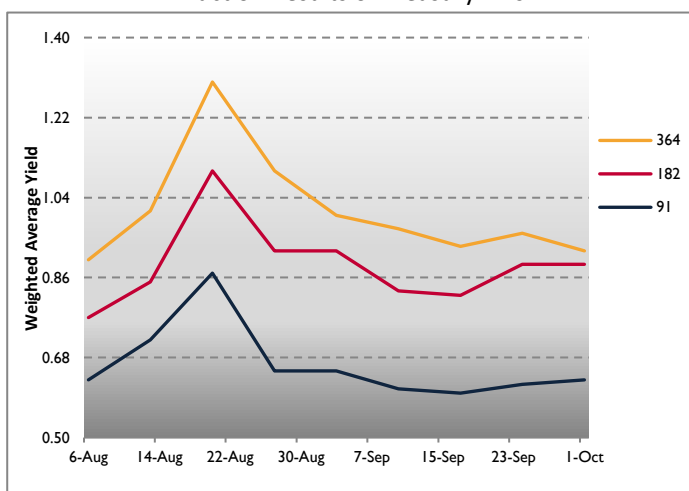
#### Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	1.85	1.85
Fed Funds Rate	0.00 - 0.25	0.00 - 0.25
BoE Bank Rate	0.10	0.10
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.10	0.10

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.3035	0.999
UK Bonds	0.477	0.695
German Bonds	-0.696	-0.544

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.582	-0.574	-0.564	-0.534
USD	0.073	0.086	0.124	0.155
GBP	0.040	0.051	0.083	0.164
EURIBOR	-0.576	-0.567	-0.551	-0.525

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.450	-0.210	-0.049	0.172
USD LIBOR - 3m	0.424	1.088	1.341	1.560

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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

> Gold closed the previous day session with a modest gain, finding support from a slight retreat in US Treasury yields, even as the dollar strengthened. Investors remain on the sidelines, awaiting US labour market data that is expected to provide clues on the Federal Reserve's tapering timeline.

> Oil prices dropped back from multi-year highs after inventory data from both the American Petroleum Institute and the Energy Information Administration reported a surprise build in US crude stocks. Alleviating fears regarding Europe energy supply crisis amid Russian President Putin's recent comments also weighed on oil prices.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	81.95	(1.11)
Gold (\$)	1,756.83	(5.65)