

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended flat against majority of its peers on Thursday on risk aversion due to a drop in US Treasury yields and stocks.
- > The EUR/USD fell to 1.1327 yesterday after the European Commission sharply cut its forecasts for Eurozone economic growth this year and next, on expectations that the bloc largest countries will be held back by global trade tensions and domestic challenges.
- > The GBP/USD tumbled to 1.2853 after the BoE held its benchmark interest rates steady on Thursday but later the pound reversed course after BoE Governor Mark Carney stated the markets should not prepare for a no-rate-hike scenario.
- > The USD/JPY retreated to 109.61 on risk aversion due to a drop in US stocks after renewed US and China trade concerns.
- > The Australian dollar weakened to 0.7067 against the USD after the Reserve Bank of Australia cut its growth forecasts.
- > The Reserve Bank of India monetary policy committee cut its benchmark interest rate by 25 basis points to 6.25 percent on Thursday, citing slowing economic growth and sharply lower inflation. The committee also changed its monetary policy stance to neutral from the previous outlook of calibrated tightening, suggesting there was room for future cuts.
- > The Canadian dollar weakened to its lowest in nearly two weeks against the greenback amid fears of a global slowdown and ahead of domestic jobs data this Friday.
- > Yesterday, the Bank of Mauritius intervened on the domestic foreign exchange market at the bid rate of MUR 34.30/USD.
- > The US Dollar end the week on a higher note, gaining 7 cents against the Rupee since yesterday.

### Daily Technical View

EURUSD - The pair is hovering around the 1.1350 level. On the upside selling interest will surge around 1.1375/1.1400 level, any declines will be supported around 1.1315 before 1.1280.

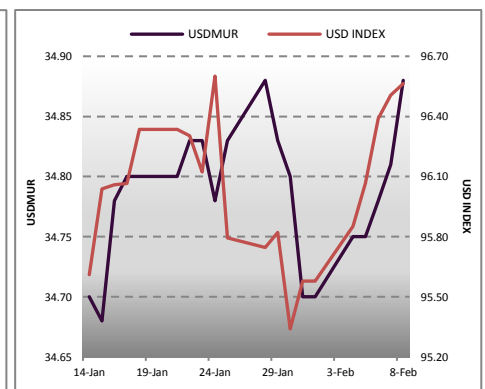
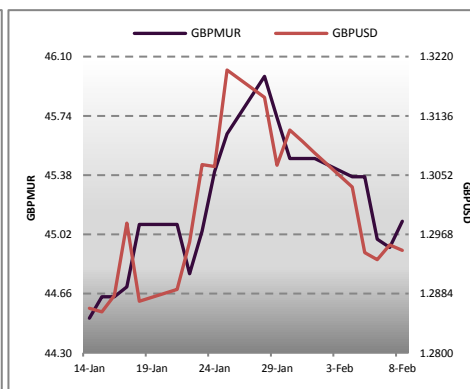
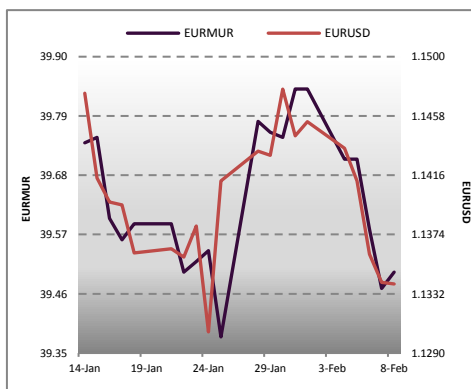
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.92	(0.04)	24.88	(0.04)
CNYMUR	5.00	-	5.26	-
EURMUR	38.35	0.03	39.50	0.03
JPYMUR	30.66	0.13	31.89	0.14
ZARMUR	2.45	(0.02)	2.57	(0.02)
USDMUR	33.98	0.07	34.88	0.07
GBPMUR	43.79	0.16	45.10	0.16

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.92	23.93	23.95	24.91	24.98	25.10
EURMUR	38.45	38.64	38.96	39.62	39.88	40.31
ZARMUR	2.44	2.42	2.39	2.56	2.55	2.53
USDMUR	33.98	33.97	33.98	34.90	34.95	35.04
GBPMUR	43.86	43.98	44.19	45.20	45.39	45.72



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7099	0.7105	0.7061	0.7080
EURUSD	1.1344	1.1351	1.1330	1.1340
GBPUSD	1.2952	1.2973	1.2943	1.2952
USDJPY	109.80	109.84	109.66	109.76
USDCHE	1.0021	1.0027	1.0017	1.0024
USDCNH	6.78	6.79	6.78	6.79

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,390.30	(0.87)
S&P 500	2,706.05	(0.94)
FTSE 100	7,093.58	(1.11)
DAX	11,022.02	(2.67)
CAC 40	4,985.56	(1.84)
NIKKEI 225	20,391.89	(1.73)
HANGSENG	27,809.92	(0.64)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
07-Feb	12 00	UK	BoE Interest Rate Decision	-	0.75%	0.75%	0.75%
07-Feb	13 30	US	Initial Jobless Claims	Feb	234K	221K	253K
08-Feb	13 30	CA	Unemployment Rate	Jan	-	-	5.6%
11-Feb	09 30	UK	Gross Domestic Product (MoM)	Dec	-	-	0.2%

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 yields fell yesterday, dragged lower by a slide in European yields after Eurozone growth expectations for this year were slashed, adding to mounting concerns a global economic slowdown was under way.
- > German and other European bonds mostly rallied after the European Commission cut its growth forecast for the 19-nation Eurozone to 1.3 percent for 2019 from its earlier forecast of 1.9 percent, citing the sharp deterioration in global trade.
- > The German 10-year bond yield dropped 5 basis points to 0.115 percent, while the Italian 10-year yield rose 12.4 basis points to 2.961 percent.

- > The Bank of England stood pat, as expected, at its February meeting. The central bank also snipped its growth expectations for the United Kingdom to 1.2 percent this year from 1.7 percent.
- > Today, the Bank of Mauritius will issue the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 900 Mio, as well as the 91-Day and 182-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 2,000 Mio.

**Market Highlights**
**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	3.05	-
2M	3.15	-
3M	3.27	3.12
4M	3.37	-
6M	3.48	3.33
8M	3.53	-
10M	3.58	-
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	4.95	4.70
10 Year	5.50	5.25
15 year	6.10	5.85
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	2.4752	2.455
UK Bonds	0.711	0.817
German Bonds	-0.581	-0.392

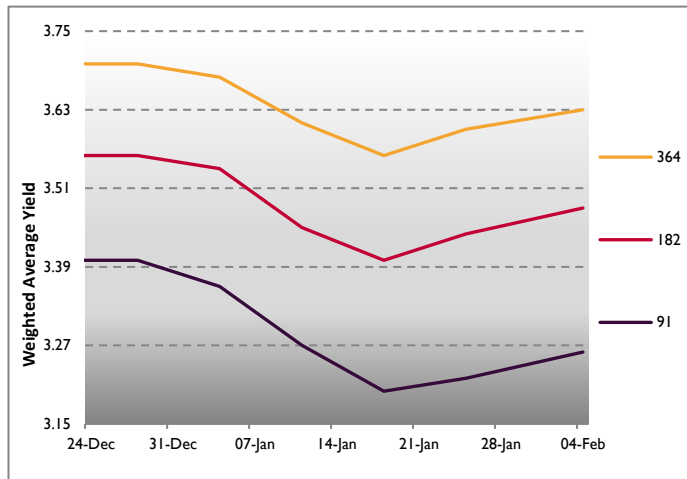
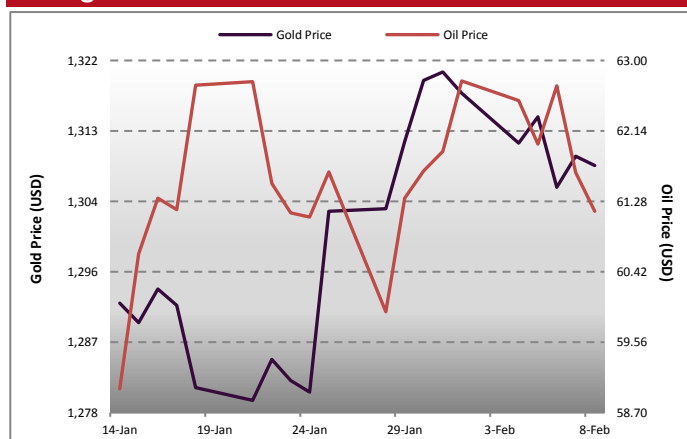
**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.444	-0.419	-0.332	-0.296
USD	2.410	2.517	2.697	2.765
GBP	0.695	0.732	0.897	1.015
EURIBOR	-0.373	-0.367	-0.308	-0.234

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.223	0.051	0.274	0.591
USD LIBOR - 3m	2.614	2.546	2.571	2.671

\*Pay fixed and receive floating swap

**Local Treasury Bills Market**

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


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**News**

- > The on-going trade dispute between the US and China is denting economic growth prospects and putting additional pressure on the oil market, as prices tumbled again this morning.
- > Oil prices have also been weighed down by news that Libyan oil output could soon resume after a Libyan general took control of the country's largest oil field, raising the likelihood the facility will restart production.
- > The precious metal traded steady to higher overnight as geopolitical risk remains high with the meeting between US President Trump and his Chinese counterpart Xi Jinping is very likely before the March 1 deadline.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	61.12	(1.20)	61.20	(0.43)
Gold (\$)	1,309.87	(0.16)	1,308.00	(1.40)