

## FOREIGN EXCHANGE MARKET

### News

- > The greenback extended its recent losing streak and fell to a 2-month low as investors remained cautious after Fed Chairman Jerome Powell dovish comments on Friday hinted at a possible pause on US interest rate hike cycle.
- > The EUR/USD pair advanced up to 1.1472 as retail sales in Germany beat expectations in November while the EU Investor Confidence Index for January declined by less-than-expected.
- > The GBP/USD rose to a one-week high on Monday as traders prepare for Britain Parliament to resume this week and debate Prime Minister Theresa May Brexit withdrawal agreement.
- > The AUD/USD declined to 0.7128 on dismal trade balance data for November.
- > The USD/JPY recovered to 108.75 in New York due to strong rebound in US Treasury yields.
- > The South African rand strengthened against the dollar on Monday hitting 13.8325 ahead of the local manufacturing data due later in the week.
- > The Canadian dollar strengthened to a one-month high against its broadly weaker US counterpart on Monday as oil prices climbed ahead of the Bank of Canada interest rate decision on Wednesday.
- > The US Dollar sheds 3 cents this morning, with the EUR and GBP also losing 1 cent each against the Rupee.

### Daily Technical View

EUR/USD-The EUR post-Powell rally against the USD stalled ahead of major resistance at 1.1500 (High 1.1485) and the market has retraced to a session low of 1.1434 in Asia this morning. Intra-day we expect to trade in a 1.1380-1.1470 range, with key technical levels to watch being 1.1345 on the downside and 1.1500 on the upside.

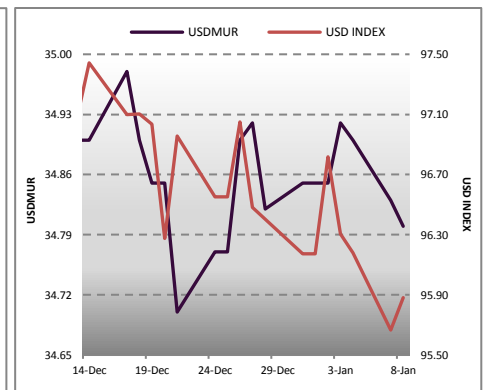
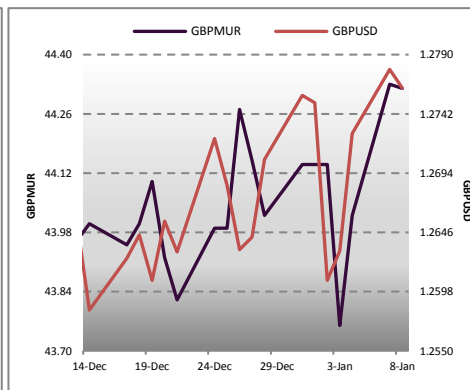
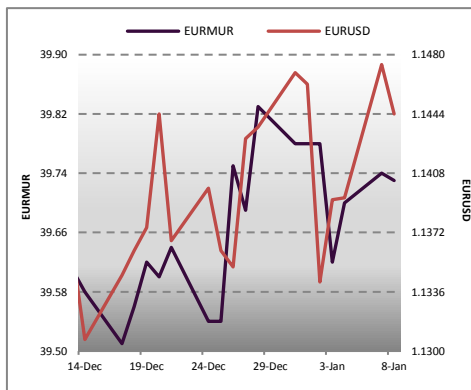
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	24.04	(0.06)	25.00	(0.06)
CNYMUR	4.93	(0.02)	5.18	(0.02)
EURMUR	38.57	(0.01)	39.73	(0.01)
JPYMUR	30.81	(0.27)	32.04	(0.28)
ZARMUR	2.40	-	2.52	-
USDMUR	33.90	(0.03)	34.80	(0.03)
GBPMUR	43.03	(0.01)	44.32	(0.01)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	24.05	24.06	24.09	25.05	25.11	25.24
EURMUR	38.68	38.90	39.24	39.87	40.15	40.60
ZARMUR	2.39	2.38	2.34	2.51	2.50	2.48
USDMUR	33.92	33.93	33.95	34.84	34.91	35.01
GBPMUR	43.11	43.26	43.49	44.43	44.65	45.00



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7147	0.7149	0.7123	0.7128
EURUSD	1.1474	1.1485	1.1433	1.1441
GBPUSD	1.2778	1.2789	1.2754	1.2767
USDJPY	108.71	108.99	108.52	108.83
USDCHE	0.9796	0.9826	0.9790	0.9815
USDCNH	6.85	6.87	6.84	6.86

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	23,433.16	0.42
S&P 500	2,549.69	0.70
FTSE 100	6,810.88	(0.39)
DAX	10,747.81	(0.18)
CAC 40	4,719.17	(0.38)
NIKKEI 225	20,247.52	1.04
HANGSENG	25,858.14	0.09

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
09-Jan	15 00	CA	BoC Interest Rate Decision	-	-	1.75%	1.75%
09-Jan	19 00	US	FOMC Minutes	-	-	-	-
10-Jan	12 30	EU	ECB Monetary Policy Meeting Accounts	-	-	-	-
10-Jan	13 30	US	Initial Jobless Claims	Jan	-	225K	231K

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 ticked higher yesterday, following last week's volatile trading, as investors watched for progress in renewed trade talks between US and Chinese officials.
- > Hopes for trade tensions to ease come as US and China conduct talks to end their longstanding trade dispute on Monday and Tuesday.
- > Overnight on Wall Street the S&P 500 ended 0.7 per cent higher and the tech-heavy Nasdaq Composite climbed 1.2 percent with underlying support also coming from Friday's soothing policy comments from Federal Reserve chairman Jay Powell.

- > The US 10-year Treasury note yield gained 2.3 basis points to 2.684 percent, from an intraday low of 2.634 percent, while the 2-year note yield advanced by 3.6 basis points to 2.524 percent.
- > Tomorrow, the Bank of Mauritius will issue the 5.10 percent Benchmark 5-Year Government of Mauritius Bonds for a nominal amount of MUR 2,000 Mio.

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

	Bid (%)	Offer (%)
1M	3.15	-
2M	3.25	-
3M	3.36	3.21
4M	3.45	-
6M	3.54	3.39
8M	3.59	-
10M	3.63	-
1Y	3.68	3.53

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

**Local Secondary Market T-Bonds**

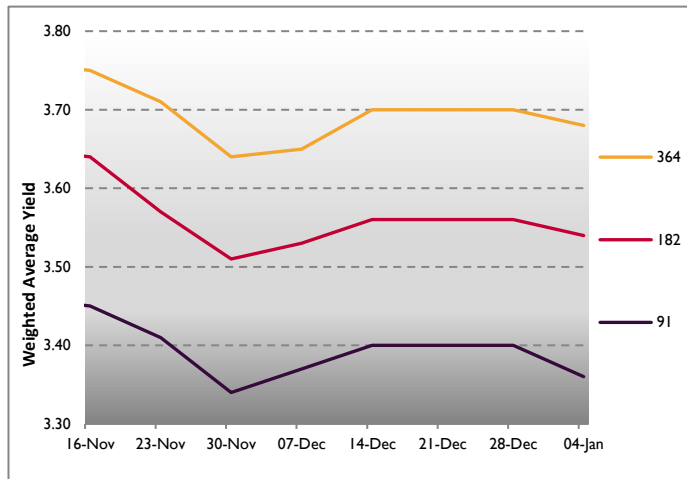
	Bid (%)	Offer (%)
2 year	4.10	3.90
3 year	4.40	4.20
4 Year	4.75	4.55
5 Year	5.10	4.85
10 Year	5.50	5.25
15 year	6.13	5.88
20 Year	6.20	5.95

**Key Central Bank Rates**

	Current Level (%)	Previous (%)
BOM Repo Rate	3.50	3.50
Fed Funds Rate	2.25 - 2.50	2.00 - 2.25
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	2.5365	2.526
UK Bonds	0.752	0.887
German Bonds	-0.589	-0.295

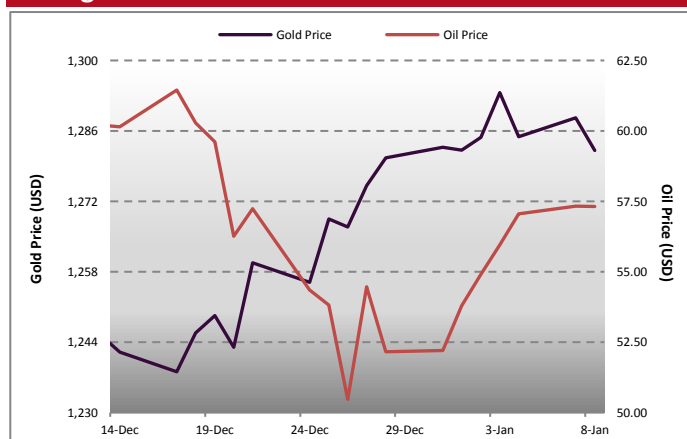
**Local Treasury Bills Market**

**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.443	-0.417	-0.341	-0.300
USD	2.405	2.511	2.797	2.849
GBP	0.706	0.730	0.902	1.029
EURIBOR	-0.373	-0.363	-0.309	-0.237

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.211	0.149	0.412	0.760
USD LIBOR - 3m	2.679	2.581	2.631	2.720

\*Pay fixed and receive floating swap

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


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**News**

- > The oil market traded on a flat note yesterday as ongoing talks between Chinese officials and the US fuelled hopes that the trade war could end soon while OPEC-led supply cuts also tightened markets.
- > Gold prices retreated yesterday and gave up earlier gains as demand for the precious metal was halted by expectations that the US Federal Reserve would pause its rate-hiking cycle for the year.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	56.71	1.47	57.33	-
Gold (\$)	1,283.08	(5.55)	1,286.80	4.10