

## FOREIGN EXCHANGE MARKET

### News

- > The dollar index was a shade lower at 97.548. The index soared 0.75 percent yesterday to brush a near three-month peak of 97.71.
- > The single currency took a big hit by the ECB economic forecast slash, rate hike delay and new cheap bank loans on Friday morning as the market looks to the US employment data to be released later in the day. The EUR/USD pair dived to 1.1194, having suffered its biggest one-day loss against the dollar since June 2018 when the ECB last pushed back plans for a rate hike.
- > GBP/USD dipped to 1.3075, recording its steepest loss in seven weeks after British and EU sources stated that Brexit negotiations had hit an impasse.
- > AUD/USD dropped to near 0.7000 as China's February trade balance figures came out well below expectations. US employment data and trade talks development are next up on the radar.
- > USD/CAD is trading in the mid-1.3400 after the US dollar gained on dovish ECB.
- > The USD/JPY pair posted sharp gains yesterday and is trading at 111.25 as of writing after ECB's dovish turn failed to lift risk assets while the 10-year US Treasury fell seven basis points to 2.63 percent, making the dollar a less attractive bet.
- > The South African came under continued pressure, tracking the Euro lower, after the ECB pushed back its forecast for an interest rate hike and offered banks more cheap loans while home state power utility Eskom got smaller tariff hikes than sought.
- > The US Dollar ends the week on a higher note, gaining 20 cents this morning against the Rupee, with the much-awaited non-farm payrolls data expected this afternoon.

### Daily Technical View

EUR/USD - The EUR tumbled to a fresh year low of 1.1177 against the USD after the ECB downgraded both its inflation and growth outlook for the euro-zone, pledging to provide fresh stimulus and extending its interest rate hike guidance until end of 2019. In Asia this morning we are hovering near 1.1200 but a clear break of FIBO support at 1.1185 will target a move towards 1.1000 psychological level, on the upside 1.1255/80 area is expected to cap rallies.

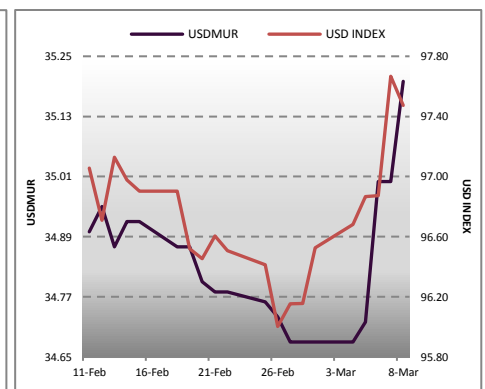
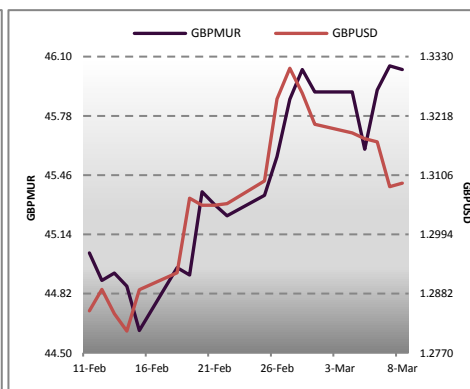
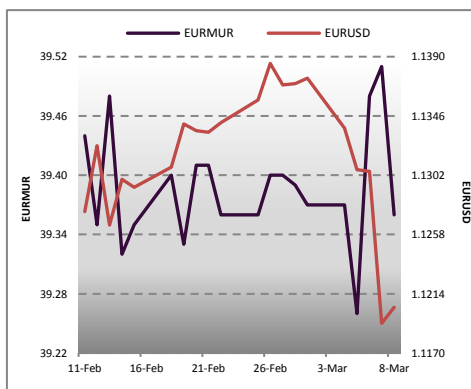
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.92	0.01	24.88	0.01
CNYMUR	5.09	0.02	5.35	0.02
EURMUR	38.21	(0.15)	39.36	(0.15)
JPYMUR	30.49	0.26	31.71	0.27
ZARMUR	2.33	(0.03)	2.45	(0.03)
USDMUR	34.30	0.20	35.20	0.20
GBPMUR	44.69	(0.02)	46.03	(0.02)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.93	23.95	23.98	24.92	25.00	25.13
EURMUR	38.31	38.51	38.83	39.48	39.75	40.18
ZARMUR	2.32	2.30	2.27	2.44	2.43	2.41
USDMUR	34.30	34.32	34.34	35.23	35.29	35.41
GBPMUR	44.76	44.91	45.13	46.13	46.35	46.70



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7014	0.7028	0.7004	0.7013
EURUSD	1.1191	1.1205	1.1185	1.1206
GBPUSD	1.3083	1.3099	1.3080	1.3096
USDJPY	111.56	111.64	110.96	111.06
USDCHF	1.0112	1.0118	1.0094	1.0098
USDCNH	6.73	6.74	6.73	6.73

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	25,673.46	(0.78)
S&P 500	2,748.93	(0.81)
FTSE 100	7,157.55	(0.53)
DAX	11,517.80	(0.60)
CAC 40	5,267.92	(0.39)
NIKKEI 225	21,006.60	(2.09)
HANGSENG	28,278.58	(1.74)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
07-Mar	12 30	US	Initial Jobless Claims	Feb	223K	225K	226K
07-Mar	12 45	EU	ECB Interest Rate Decision	-	0.0%	0.0%	0.0%
08-Mar	13 30	US	Nonfarm Payrolls	Feb	-	180K	304K
08-Mar	13 30	US	Average Hourly Earnings (YoY)	Feb	-	3.3%	3.2%

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**

- > US Treasury yields fell, along with its European peers, after the European Central Bank launched fresh stimulus measures, stating that it was unlikely to increase rates through the end of 2019 and slashed its forecast for economic growth.
- > In its March meeting, the ECB announced that it would extend its targeted longer-term refinancing operations. This comes as growing questions over the economic bloc's health have drawn speculation that the Central Bank policy would continue to keep monetary policy easy in a bid to boost lending. The ECB also mentioned that it did not expect to move interest rates until 2020.
- > The 10-year US Treasury note yield gave away 5.4 basis points to 2.637 percent, while the 2-year note yield shed 4.9 basis points to 2.471 percent. Both maturities marked their largest single daily decline since January 31.
- > The 10-year German government bond yield dropped 5.9 basis points to 0.069 percent.
- > Today, the Bank of Mauritius will issue the 182-Day Government of Mauritius for a nominal amount of MUR 1,000 Mio as well as the 91-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of Mur 1,800 Mio.
- > The Bank of Mauritius will publish the Minutes of the MPC Meeting, held on 22nd February 2019 today.

**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

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**Local Secondary Market T-Bonds**

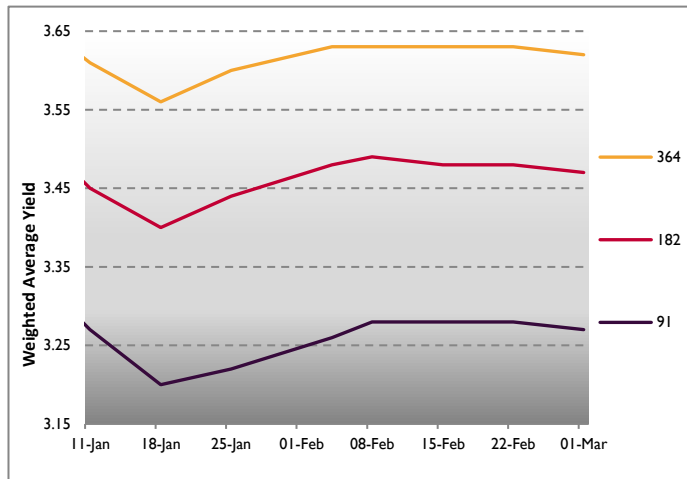
	Bid (%)	Offer (%)
2 year	3.95	3.75
3 year	4.15	3.95
4 Year	4.45	4.25
5 Year	4.90	4.65
10 Year	5.50	5.25
15 year	6.05	5.80
20 Year	6.20	5.95

**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	2.4691	2.434
UK Bonds	0.737	0.902
German Bonds	-0.545	-0.402

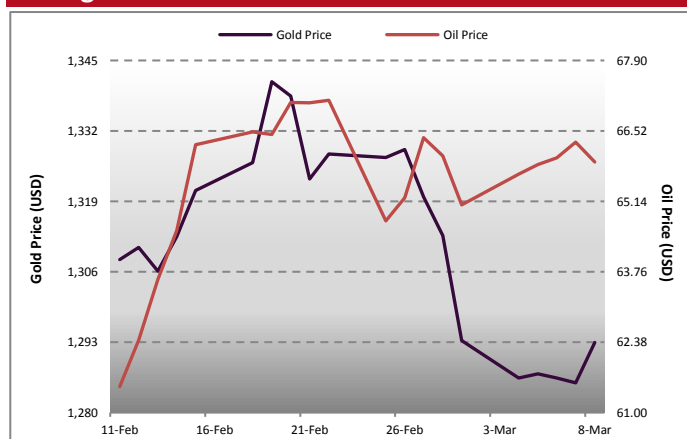
**Local Treasury Bills Market**

**Money Market Rates**

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.445	-0.413	-0.332	-0.296
USD	2.410	2.493	2.601	2.683
GBP	0.696	0.728	0.843	0.986
EURIBOR	-0.373	-0.367	-0.308	-0.232

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.253	0.007	0.213	0.523
USD LIBOR - 3m	2.589	2.510	2.554	2.651

\*Pay fixed and receive floating swap

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


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**News**

- > Oil prices traded lower overnight after comments from the ECB yesterday warned of a period of continued weakness and pervasive uncertainty while record US crude output and exports also pressured the commodity. Prices however recouped some grounds this morning to open at USD 65.80 in the Asian session.
- > The precious metal was down 0.25 percent yesterday as the US dollar strengthened on comments from the ECB before recovering some of its losses and posting modest gains.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	64.28	0.32	65.92	(0.38)
Gold (\$)	1,293.30	7.80	1,283.80	(1.10)