

## FOREIGN EXCHANGE MARKET

### News

- > The greenback ended the day little changed against majority of its peers as investors await the release of US jobs report this Friday, which will provide a hint on the timeline of the Federal Reserve tapering schedule.
- > EUR/USD pair traded in the 1.1550 price zone, barely up on Thursday, as weak European macroeconomic data continued to undermine demand for the shared currency.
- > The pound rose on Thursday as global risk sentiment improved and analysts stated that the prospects of a Bank of England rate hike reduced some downside potential for the currency.
- > USD/JPY extended the advance towards 112.00 in Asian trade this morning amid risk-on mood, ahead of NFP.
- > AUD/USD rallied above 0.7300 amid US debt ceiling optimism and upbeat China services PMI.
- > The Canadian dollar gained against its US counterpart on Thursday as investors cheered a potential deal to avoid a default on US government debt and the Bank of Canada stated that the factors driving inflation were more persistent than expected.
- > South African rand firmed yesterday after slipping to 15.1975 per dollar on Wednesday, its weakest this month ahead of US payroll data.
- > The Bank of Mauritius published the dissemination of the Mauritian Rupee index yesterday, depicting a 0.2 percent appreciation in the local currency.
- > The USD/MUR ends the week at MUR 42.95/USD while the EUR/MUR sheds a further 2 cents overnight to trade at MUR 49.78/EUR on the offer.

### Daily Technical View

It was a quiet session yesterday for the most part as the dollar index remained choppy within its recent range with headlines not offering much. EUR/USD remained confined within the 1.1550-70 range. All eyes will be on today's US employment data and a big miss or a positive surprise should provide a clearer direction for the market. To the upside, 1.1600 is immediate resistance ahead of 1.1665. Intraday support lies at 1.1540 and a break below will trigger a move to 1.1500.

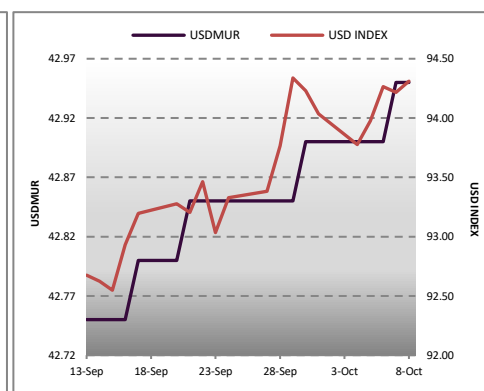
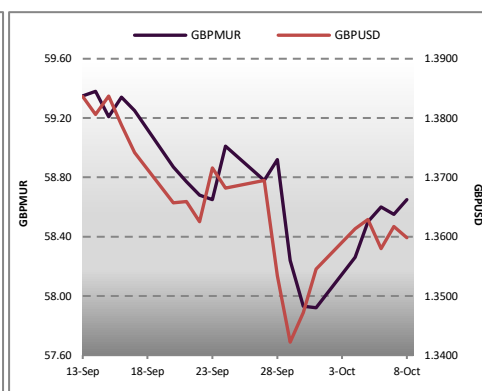
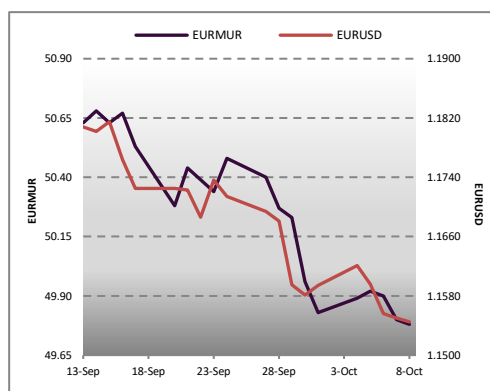
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.57	0.09	31.79	0.09
CNYMUR	6.51	-	6.84	-
EURMUR	48.33	(0.02)	49.78	(0.02)
JPYMUR	37.22	(0.14)	38.71	(0.14)
ZARMUR	2.76	-	2.94	-
USDMUR	42.05	-	42.95	-
GBPMUR	56.94	0.10	58.65	0.10

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.56	30.55	30.50	31.82	31.89	32.01
EURMUR	48.32	48.31	48.28	49.84	49.98	50.24
ZARMUR	2.74	2.71	2.65	2.94	2.93	2.92
USDMUR	42.03	41.98	41.92	42.98	43.05	43.20
GBPMUR	56.93	56.90	56.81	58.69	58.79	58.97



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7313	0.7323	0.7295	0.7300
EURUSD	1.1549	1.1559	1.1542	1.1548
GBPUSD	1.3615	1.3623	1.3597	1.3604
USDJPY	111.61	111.93	111.60	111.90
USDCHF	0.9284	0.9301	0.9282	0.9298
USDCNH	6.45	6.46	6.45	6.45

#### Major Indices

	Value at Close	Day Change %
DOW JONES	34,416.99	0.98
S&P 500	4,399.76	0.83
FTSE 100	7,078.04	1.17
DAX	15,250.86	1.85
CAC 40	6,600.19	1.65
NIKKEI 225	28,161.70	1.75
HANGSENG	24,783.60	0.33

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
7-Oct	12 30	US	Initial Jobless Claims	Oct	326K	348K	364K
8-Oct	01 45	CN	Caixin Services PMI	Sep	53.4	50.7	46.7
8-Oct	12 30	US	Nonfarm Payrolls	Sep	-	488K	235K
8-Oct	12 30	CA	Unemployment Rate	Sep	-	6.9%	7.1%

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**

> Long-dated Treasury yields climbed to their highest levels in more than three months as equity markets rallied, helped by news that lawmakers in Washington reached an agreement to at least temporarily avert a breach of the US debt ceiling and a government default.

> Yields also climbed yesterday on signs of further improvement in the US labour market, adding to a recent run-up driven by worries about inflation and the torrid pace of increases in commodity prices, including natural gas and oil.

US jobless benefit claims sank 38,000 to 326,000 for the seven days that ended October 2, according to government data released on Thursday.

> The 10-year US Treasury note yielded 1.570 percent, the highest since June 7, while the 2-year Treasury note rate peaked at a 52-week high of 0.307 percent. The 30-year Treasury bond yield stood at 2.132 percent, the highest since June 25.

> Today, 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**

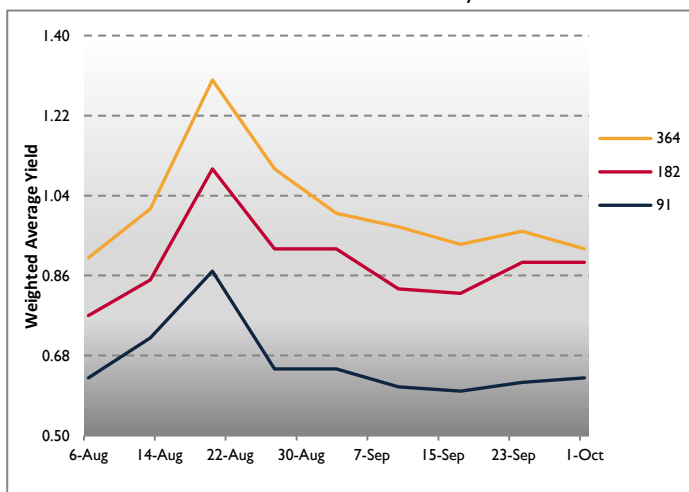
	Bid (%)	Offer (%)
2 year	2.10	1.90
3 year	2.45	2.25
4 Year	2.70	2.50
5 Year	3.05	2.80
10 Year	4.40	4.15
15 year	4.65	4.40
20 Year	4.95	4.70

**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	0.3158	1.038
UK Bonds	0.471	0.703
German Bonds	-0.698	-0.547

**Auction Results of Treasury Bills**

**Money Market Rates**

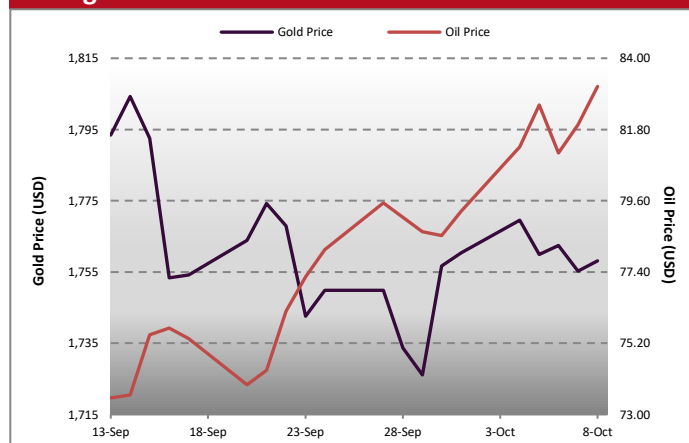
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.582	-0.575	-0.568	-0.534
USD	0.075	0.087	0.124	0.156
GBP	0.041	0.058	0.100	0.186
EURIBOR	-0.567	-0.564	-0.551	-0.530

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.445	-0.209	-0.048	0.173
USD LIBOR - 3m	0.426	1.130	1.390	1.615

\*Pay fixed and receive floating swap

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


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**News**

> Gold is trading in a narrow range, stuck in a wait-and-see mode over what will happen to real yields after the nonfarm payroll report.

> Oil prices rallied on signs some industries have begun switching fuel from high priced gas to oil and on doubts the US government would release oil from its strategic reserves for now. The energy market is still processing what will be the impact of extra gas from Russia to Europe.

**Spot Market**

	Today	Change (\$)
Brent Crude Oil (\$)	82.79	0.85
Gold (\$)	1,759.75	4.46