

FOREIGN EXCHANGE MARKET

News

- > The greenback remained generally strong, although most major pairs remained confined to tight intraday ranges in holiday-thinned trading on Monday as US markets were closed for Labour Day holiday.
- > EUR/USD dropped to 1.1796 following mixed data coming from the EU. This Tuesday, Germany will publish its July trade balance, while the EU will unveil the final reading of Q2 GDP.
- > GBP/USD weakened to 1.3139 following news that UK Prime Minister Boris Johnson is reportedly contemplating legislation to override the country Brexit withdrawal agreement with the European Union.
- > The USD/JPY pair spent the day hovering around 106.20 without activity around US government bond yields.
- > South African rand fell to 16.75 per dollar ahead of the release of second quarter GDP due to for later today.
- > The USD/MUR maintains the same level as yesterday at MUR 40.25 per USD on the offer. The market data for the first week showed a total turnover of USD 123 Mio approximately compared to USD 185 Mio turned over in the first week of August. The market demand for the first week of September exceeded the supply by approximately USD 5.8 Mio despite the intervention of USD 25 Mio from the Central Bank last week.
- > The GBP/MUR sees a 36-cent drop this morning, with the cable trading close to 1.3150 after losing nearly 1 percent on the international markets overnight. The drop was mainly due to talks that the UK Government might put trade talks at risk with a new legislation.

Daily Technical View

EUR/USD - In quiet trading, as the US was off for the Labor Day holiday, the EUR drifted lower against the USD following weaker-than-expected July Industrial production data from Germany. In Asia this morning the market traded to a session low of 1.1796, with the technical picture hinting at more losses towards 1.1700/50 unless we see a recovery above 1.1865/1.1900 area.

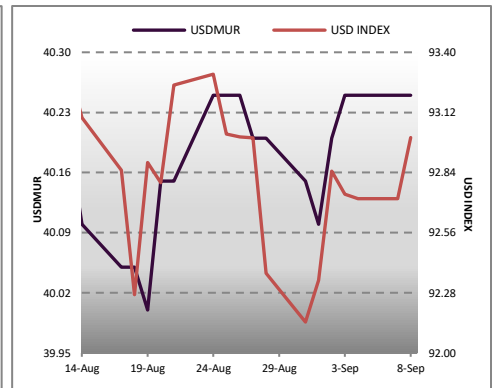
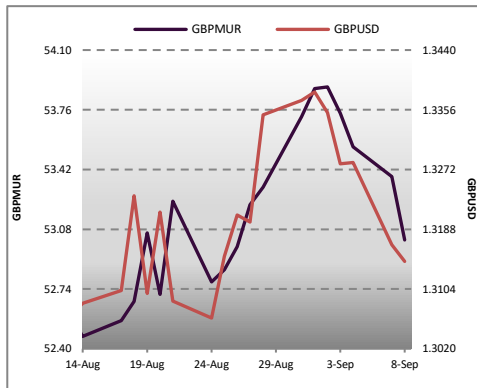
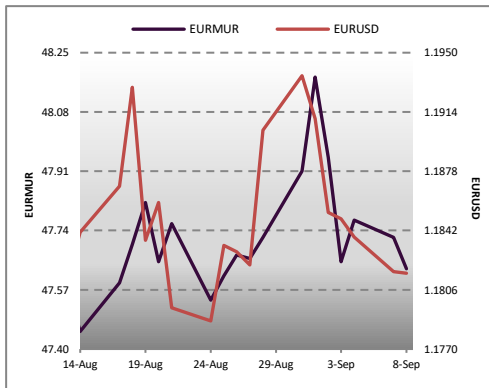
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.49	(0.03)	29.63	(0.03)
CNYMUR	5.75	-	6.04	-
EURMUR	46.24	(0.09)	47.63	(0.09)
JPYMUR	36.65	-	38.12	-
ZARMUR	2.31	(0.02)	2.46	(0.02)
USDMUR	39.35	-	40.25	-
GBPMUR	51.48	(0.35)	53.02	(0.36)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.50	28.54	28.60	29.68	29.78	29.94
EURMUR	46.33	46.52	46.79	47.74	48.00	48.39
ZARMUR	2.30	2.28	2.25	2.45	2.44	2.41
USDMUR	39.35	39.36	39.38	40.27	40.33	40.44
GBPMUR	51.53	51.63	51.78	53.09	53.27	53.54



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7274	0.7309	0.7272	0.7297
EURUSD	1.1815	1.1827	1.1796	1.1820
GBPUSD	1.3168	1.3171	1.3129	1.3144
USDJPY	106.28	106.31	106.22	106.25
USDCHF	0.9158	0.9183	0.9160	0.9172
USDCNH	6.83	6.84	6.83	6.83

Major Indices

	Value at Close	Day Change %
DOW JONES	28,292.73	(0.56)
S&P 500	3,426.96	(0.81)
FTSE 100	5,937.40	2.39
DAX	13,100.28	2.01
CAC 40	5,053.72	1.79
NIKKEI 225	23,211.40	0.53
HANGSENG	24,728.51	0.56

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
8-Sep	09 00	EU	Gross Domestic Product s.a. (QoQ)	Q2	-	-12.1%	-12.1%
9-Sep	01 30	CN	Consumer Price Index (YoY)	Aug	-	2.4%	2.7%
9-Sep	14 00	US	JOLTS Job Openings	Jul	-	6.000 M	5.889 M
9-Sep	14 00	CA	BoC Interest Rate Decision	-	-	0.25%	0.25%

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

- > The yield on 10-year Treasuries was unchanged at 0.72 percent on Monday as US Financial markets were closed for a public holiday.
- > Global ratings agency, Standard & Poor's upgraded the long-term sovereign credit rating of Argentina on Monday from selective default, SD, to CCC+ after the country successfully restructured over USD 100 billion in sovereign debt.
- > In Europe, German 10-year yield added 1.1 basis points to -0.464 percent while the yield on 10-year gilts dropped 1.4 basis points to 0.246 percent hit by Brexit discord.
- > Prices on Japanese bond futures have remained supported this morning on ongoing tensions between the US and China with 10-year JGB yielding 0.035 percent.
- > The Bank of Mauritius published the Mauritian Rupee Index yesterday showing yet another increase in the MERI 1, a 0.57 percent depreciation of the Rupee over the month of August.

Market Highlights
Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	0.55	0.40
2M	0.60	0.45
3M	0.65	0.50
4M	0.70	0.55
6M	0.85	0.70
8M	1.00	0.85
10M	1.15	1.00
1Y	1.30	1.15

[Click here to access our Mauritian Bond Market page](#)
Local Secondary Market T-Bonds

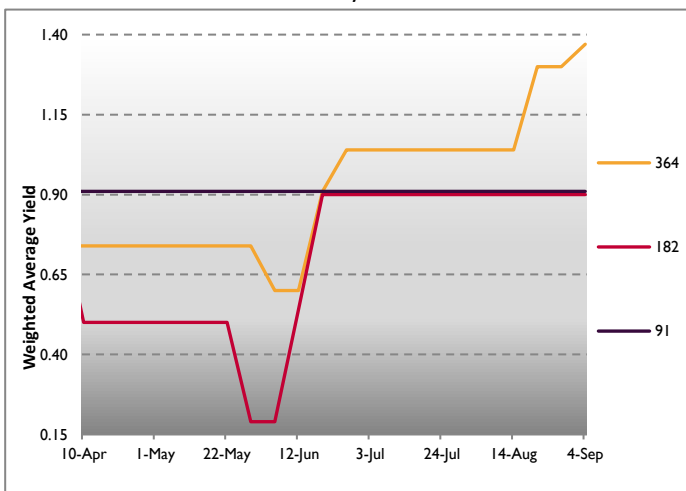
	Bid (%)	Offer (%)
2 year	1.70	1.50
3 year	1.85	1.65
4 Year	2.00	1.80
5 Year	2.20	1.95
10 Year	2.60	2.35
15 year	2.90	2.65
20 Year	3.20	2.95

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	0.25	0.25

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.1408	0.291
UK Bonds	-0.084	-0.052
German Bonds	-0.697	-0.684

Local Treasury Bills Market

Money Market Rates

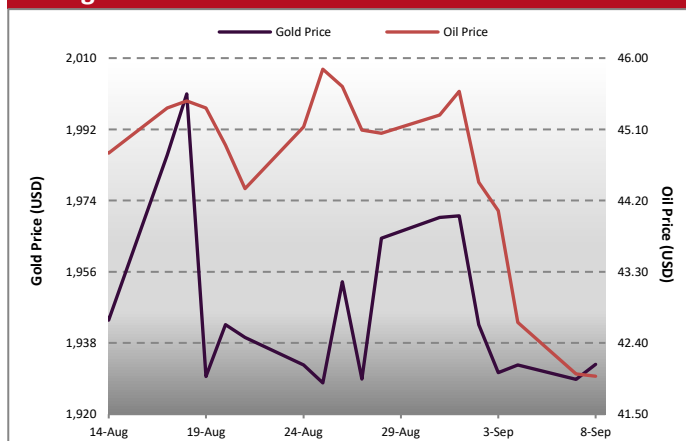
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.555	-0.545	-0.507	-0.485
USD	0.110	0.154	0.248	0.292
GBP	0.060	0.054	0.067	0.122
EURIBOR	-0.530	-0.517	-0.483	-0.451

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.509	-0.453	-0.373	-0.227
USD LIBOR - 3m	0.248	0.371	0.526	0.731

*Pay fixed and receive floating swap

COMMODITIES
Rolling Gold & Oil Prices


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News

- > Cases of coronavirus continue to rise in the US and in other parts of the world, while the US peak driving season ended after the long weekend, weighing on fuel consumption and oil prices.
- > Gold prices fell as the dollar index firmed, but losses were limited by longer-term uncertainties amid the pandemic.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	40.06	(0.66)
Gold (\$)	1,933.45	4.63