

FOREIGN EXCHANGE MARKET

News

- > The US dollar collapsed against a basket of major currencies in the wake of a dive in US Treasury yields and on speculation that the Federal Reserve would cut rates further at its meeting next week.
- > The pound sterling held on gains amid broad-based dollar weakness.
- > EUR/USD surged to a 14-month high on risk aversion, trading as high as 1.1492 in Asian trade this morning.
- > The safe haven Yen benefited from market panic, trading at the highest level against the greenback since September 2016.
- > AUD/USD swiftly recovered from a flash crash to fresh 11-year lows this morning on concerns over the uncontained spread of the coronavirus. Hopes of a stimulus from the government lifted the AUD which is now stabilizing around mid-0.6500s.
- > Plummeting oil prices sent USD/CAD through the roof as the pair surged to 34-month highs above 1.3750. The Loonie recovered some ground, however, with USD/CAD trading around mid-1.3600s at the moment.
- > The rand continued its downtrend on shrinking risk appetite while South Africa recorded three cases of COVID-19.
- > The Bank of Mauritius published the Mauritius Exchange rate index, showing a rise in the MERI on for the period January 2020 to February 2020, a 0.98 percent depreciation of the Rupee over the last month.
- > The USD/MUR sheds 20 cents this morning, while the JPY/MUR breaches the MUR 0.3500 level on the bid amidst the ongoing COVID-19 scares.

Daily Technical View

EUR/USD - A roller-coaster session at the Asian opening saw the EUR spiking from a session low of 1.1286 to a fresh year high of 1.1492 against the USD as the greenback was pummeled following the sell-off in oil, US yields and global equities. The nearby technical resistance at 1.1510 is holding for now and the market has pulled back to 1.1370, intra-day we expect trading to be in a 1.1350-1.1500 range as the market digests the wild morning moves.

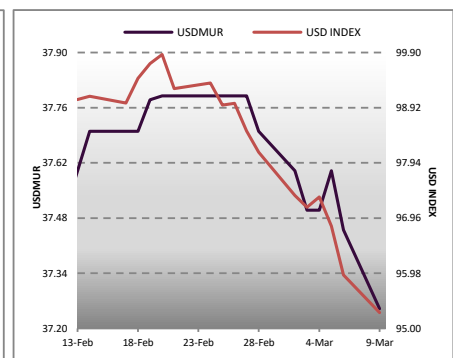
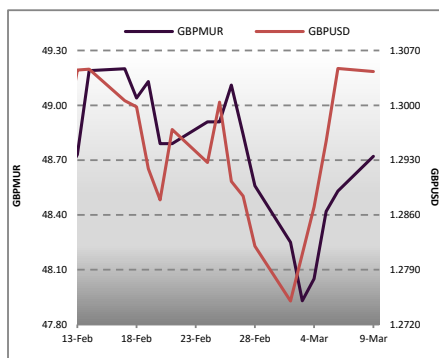
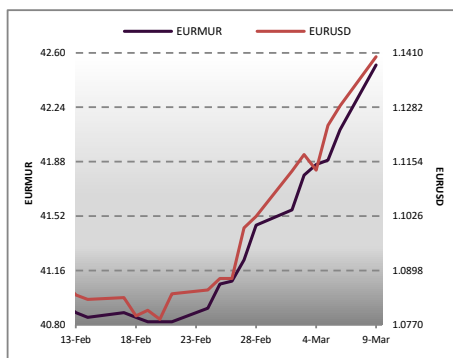
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	23.62	(0.38)	24.56	(0.40)
CNYMUR	5.23	(0.01)	5.50	(0.01)
EURMUR	41.28	0.42	42.52	0.43
JPYMUR	35.05	0.85	36.45	0.88
ZARMUR	2.20	(0.09)	2.34	(0.10)
USDMUR	36.35	(0.20)	37.25	(0.20)
GBPMUR	47.30	0.18	48.72	0.19

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	23.63	23.66	23.70	24.60	24.74	24.81
EURMUR	41.35	41.50	41.72	42.62	42.93	43.14
ZARMUR	2.19	2.17	2.14	2.33	2.33	2.30
USDMUR	36.37	36.41	36.47	37.29	37.47	37.52
GBPMUR	47.34	47.42	47.55	48.78	49.05	49.17



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6613	0.6630	0.6323	0.6545
EURUSD	1.1291	1.1492	1.1286	1.1400
GBPUSD	1.3045	1.3119	1.3033	1.3038
USDJPY	104.89	104.91	101.61	102.74
USDCHF	0.9373	0.9375	0.9194	0.9260
USDCNH	6.93	6.95	6.91	6.95

Major Indices

	Value at Close	Day Change %
DOW JONES	26,121.28	(0.98)
S&P 500	2,972.37	(1.71)
FTSE 100	6,462.55	(3.62)
DAX	11,541.87	(3.37)
CAC 40	5,139.11	(4.14)
NIKKEI 225	19,551.28	(5.78)
HANGSENG	25,200.07	(3.62)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
6-Mar	13 30	US	Nonfarm Payrolls	Feb	273K	175K	273K
6-Mar	13 30	US	Average Hourly Earnings (YoY)	Feb	3.0%	3.0%	3.1%
6-Mar	13 30	CA	Unemployment Rate	Feb	5.6%	5.6%	5.5%
6-Mar	13 30	CA	Net Change in Employment	Feb	30.3K	10.0K	34.5K

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

- > US Treasury yields kept up their relentless slide on Friday after another round of selling in global equity markets overnight on concerns the COVID-19 outbreak is upending life across the globe and the US, with major metropolitan areas now facing quarantines.
- > Even better-than-expected gains in US job growth in February in Friday's Labour Department data failed to blunt the bond-market rally as investors say the employment data has yet to show disruptions to travel and trade resulting from the epidemic.
- > The 10-year US Treasury note yield lost 21.5 basis points to 0.709 percent, its biggest one-day drop since Aug 2011. The benchmark maturity marked its biggest weekly drop since Dec 2008, falling 41.8 basis points in the past five days.

- > The 2-year note rate weakened by 9.9 basis points to 0.486 percent, its lowest since April 2015, while the 30-year bond yield tumbled 35.4 basis points to 1.216 percent, and 44.2 basis points for the week, its biggest such drop since September 2011.
- > The result of the 182-Day Government of Mauritius Treasury Bills was as follows: out of 5 bids received, only 1 was successful, with a weighted average yield of 1.83 percent and a bid to cover ratio of 2.52.
- > As for the 91-Day and the 364-Day Bank of Mauritius Treasury bills, the bid to cover ratio of 2.75 and the weighted average yields of 1.69 percent and 2.05 percent respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	1.70	-
2M	1.70	-
3M	1.70	1.55
4M	1.75	-
6M	1.80	1.65
8M	2.00	-
10M	2.05	-
1Y	2.10	1.95

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.70	2.50
3 year	3.00	2.80
4 Year	3.10	2.90
5 Year	3.30	3.05
10 Year	4.00	3.75
15 year	4.55	4.30
20 Year	5.00	4.75

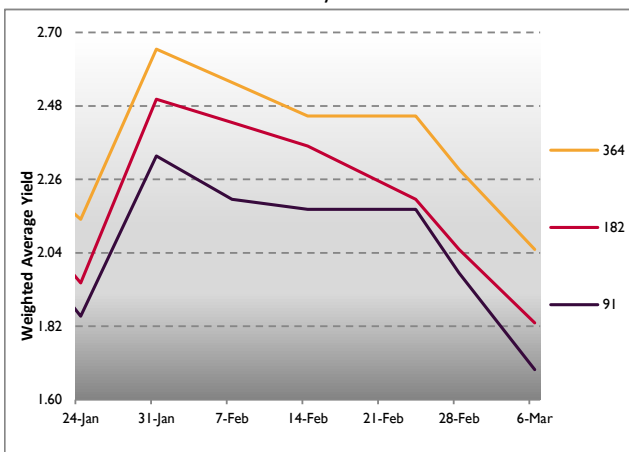
Key Central Bank Rates

	Current (%)	Previous (%)
BOM Repo Rate	3.35	3.35
Fed Funds Rate	1.00 - 1.25	1.50 - 1.75
BoE Bank Rate	0.75	0.75
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	0.50	0.75

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	0.3219	0.413
UK Bonds	0.091	0.137
German Bonds	-0.89	-0.862

Local Treasury Bills Market



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.566	-0.573	-0.518	-0.470
USD	1.075	0.862	0.896	0.880
GBP	0.600	0.559	0.518	0.525
EURIBOR	-0.520	-0.501	-0.473	-0.427

* LIBOR rates delayed by 48 hours. Source: ICE

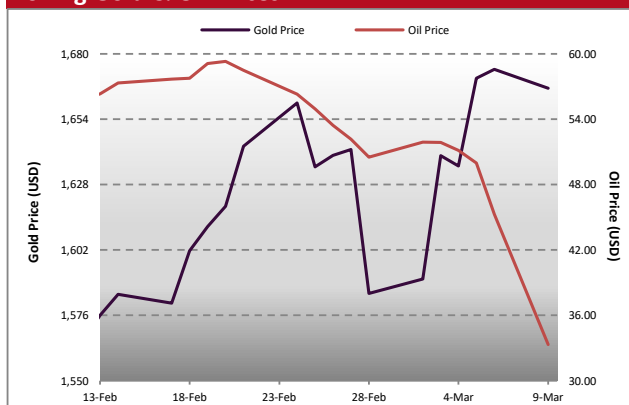
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.518	-0.468	-0.412	-0.293
USD LIBOR - 3m	0.542	0.532	0.553	0.639

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices nosedived this morning, posting their biggest daily loss since 1991 after Saudi Arabia slashed prices and announced plans to increase its production above 10 million barrels per day, ending three years of cooperation for the OPEC+ group. While OPEC recommended deeper production cuts starting April, Russia rejected the proposal and stated through their Energy Minister that they shall closely monitor and analyse market developments.
- > The yellow metal rose to its highest level since late 2012, touching USD 1,702.45 early this morning in the Asian session after the ongoing coronavirus outbreak continues to worry markets and sent investors into safe havens.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	46.16	(5.48)
Gold (\$)	1,667.78	(6.07)