

## FOREIGN EXCHANGE MARKET

### News

> The greenback ended the day little changed against the majority of its peers as the release of upbeat US NFP data was offset by concerns over how aggressive the Federal Reserve will be in hiking its rates.

> The US economy added 428,000 new jobs in April, against 391,000 expected, while the average hourly earnings rose 5.5 percent YoY and the unemployment rate remained at 3.6 percent.

> This week investors will focus on the US CPI data due on Wednesday and on speeches from several Fed officials. The latest data on Germany ZEW sentiment index and preliminary first quarter GDP data from the UK will also remain in focus.

> EUR/USD came under renewed downside pressure on Friday and pulled back from a daily high of 1.0598 as US Nonfarm Payrolls surprised to the upside in April. Several European Central Bank officials are due to speak this week, including President Christine Lagarde on Wednesday.

> GBP/USD fell to its lowest level since June 2020, a day after the BoE raised interest rates to their highest since 2009 but warned the economy was at risk of recession.

> USD/JPY rallied to 130.95 in Asia this morning underpinned by strong Treasury yields.

> AUD/USD pair reversed a spike to the 0.7135 region and dropped to around 0.70 level amid reviving USD demand.

> The Canadian dollar weakened against its US counterpart on Friday as data showed the Canadian economy adding far fewer jobs than expected and the prospect of aggressive interest rate hikes by the Fed continued to weigh on investor sentiment.

> EUR/MUR opens at its lowest level for this year while USD/MUR kickstarts the week steady, as the EUR/USD pair is edging lower on the international market.

> The Bank of Mauritius published the dissemination of the Mauritian Rupee Exchange Rate Index, revealing a significant decrease in both MER1 and MER2 in April 2022 and the lowest since June 2021, which indicates an appreciation of the local currency.

### Daily Technical View

EUR/USD – Souring market mood as global growth slowed down, coupled with better-than-expected US Nonfarm payrolls for April plummeted the single currency 90 pips down to 1.0510. If bears continue to push below support of May's low at 1.0471, the door can begin to open to test Fibonacci level at 1.0425. Reversal of the euro-dollar is awaited with resistance at Friday's high at 1.06.

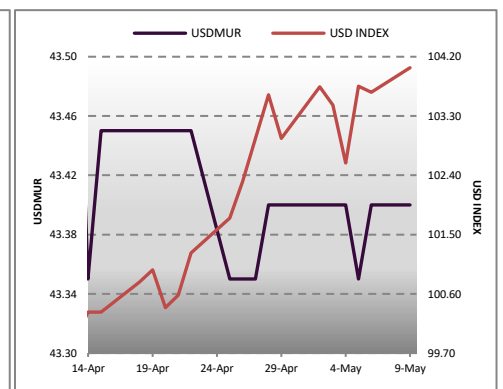
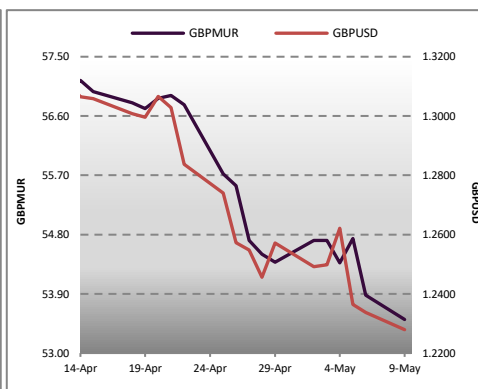
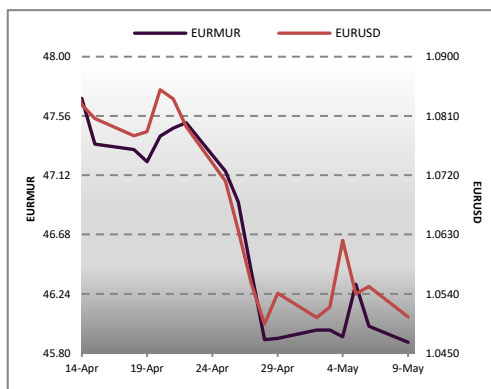
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.62	(0.46)	30.80	(0.48)
CNYMUR	6.29	(0.03)	6.61	(0.03)
EURMUR	44.54	(0.12)	45.88	(0.12)
JPYMUR	32.13	(0.10)	33.42	(0.10)
ZARMUR	2.59	(0.01)	2.76	(0.01)
USDMUR	42.50	-	43.40	-
GBPMUR	51.95	(0.36)	53.51	(0.37)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.61	29.56	29.39	30.83	30.86	30.86
EURMUR	44.54	44.51	44.46	45.94	46.07	46.27
ZARMUR	2.57	2.54	2.48	2.76	2.76	2.74
USDMUR	42.46	42.34	42.09	43.41	43.41	43.38
GBPMUR	51.91	51.80	51.55	53.52	53.52	53.51



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7066	0.7078	0.7000	0.7001
EURUSD	1.0550	1.0551	1.0504	1.0506
GBPUSD	1.2336	1.2355	1.2269	1.2284
USDJPY	130.50	131.10	130.53	131.04
USDCHF	0.9880	0.9932	0.9881	0.9926
USDCNH	6.70	6.76	6.70	6.77

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	32,997.97	(0.30)
S&P 500	4,123.34	(0.57)
FTSE 100	7,387.94	(1.54)
DAX	13,674.29	(1.64)
CAC 40	6,258.36	(1.73)
NIKKEI 225	26,395.91	(2.25)
HANGSENG	20,001.96	(3.81)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
6-May	12 30	US	Nonfarm Payrolls	Apr	428K	391K	428K
6-May	12 30	CA	Unemployment Rate	Apr	5.2%	5.2%	5.3%
11-May	12 30	US	CPI ex Food & Energy (YoY)	Apr	-	6.0%	6.5%
12-May	06 00	UK	Gross Domestic Product (QoQ) PREL	Q1	-	0.7%	1.3%

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**

> Most Treasury yields moved higher on Friday, pushing 5 to 30-year rates further above 3 percent, as investors remained focused on the inflation outlook following the release of the April US jobs data.

> Data released on Friday showed that the US added a solid 428,000 new jobs in April, but an acute labor shortage showed little improvement last month and threatens to contribute to the highest inflation in 40 years.

> The yield on the 10-year US Treasury note gained 5.8 basis points to trade at 3.124 percent, the highest since November 13, 2018. The yield on the 30-year Treasury bond strengthened by 6.1 basis points to 3.22 percent, while the 2-year Treasury note yield dropped 2.6 basis points to 2.696 percent.

> The result of the 364-Day Government of Mauritius Treasury Bills was as follows: out of 7 bids received, only 4 were successful, with the weighted average yield published at 1.08 percent.

> As for the 91-Day and the 182-Day Bank of Mauritius Treasury Bills, the weighted average yields were published at 0.75 percent and 0.92 percent respectively.

**Market Highlights**

**Local Secondary Market T-Bills**

	Bid (%)	Offer (%)
1M	0.75	0.60
2M	0.80	0.65
3M	0.85	0.70
4M	0.90	0.75
6M	0.95	0.80
8M	0.98	0.83
10M	1.01	0.86
1Y	1.05	0.90

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

**Local Secondary Market T-Bonds**

	Bid (%)	Offer (%)
2 year	2.15	1.95
3 year	2.55	2.35
4 Year	2.90	2.70
5 Year	3.15	2.90
10 Year	4.45	4.20
15 year	4.55	4.30
20 Year	4.90	4.65

**Key Central Bank Rates**

	Current Level (%)	Previous (%)
BOM Repo Rate	2.00	1.85
Fed Funds Rate	0.75-1.00	0.25 - 0.50
BoE Bank Rate	1.00	0.75
ECB Ref. Rate	0.00	0.00
RBA Cash Rate	0.35	0.10

**Government Benchmark Yields (%)**

	2 Year	5 Year
US Bonds	2.7147	3.069
UK Bonds	1.514	1.661
German Bonds	0.334	0.863

**Money Market Rates**

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	0.842	1.402	1.965
GBP	-	0.973	1.235	1.671
EURIBOR	-0.563	-0.553	-0.426	-0.206

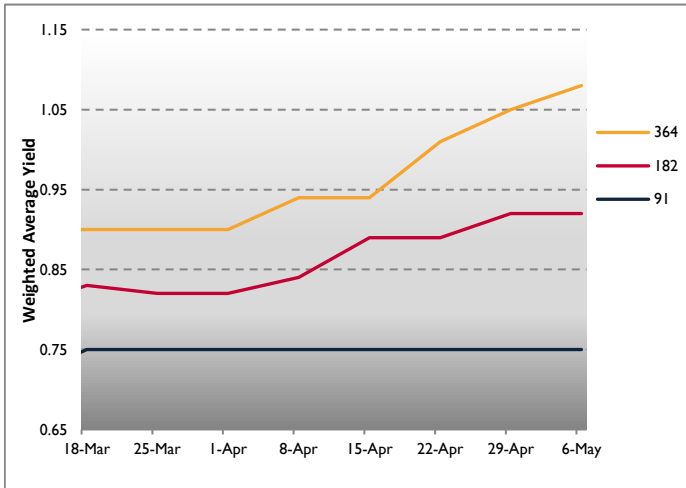
\* LIBOR rates delayed by 48 hours. Source: ICE

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	1.045	1.578	1.723	1.927
USD LIBOR - 3m	3.017	3.142	3.175	3.208

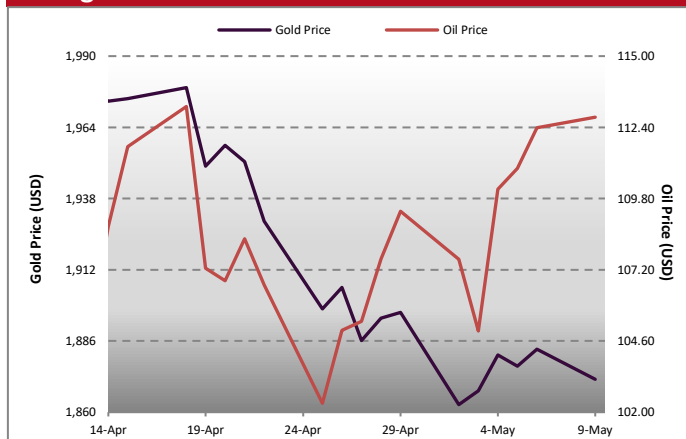
\*Pay fixed and receive floating swap

**Auction Results of Treasury Bills**



**COMMODITIES**

**Rolling Gold & Oil Prices**



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**News**

> Oil prices slipped this morning, sparked by fears a global recession could dampen oil demand while investors eye European Union talks on a Russian oil embargo that is expected to tighten global supplies.

> Gold prices dropped during the Asian session this morning as an elevated dollar pressured demand for the greenback-priced bullion, with rising US Treasury yields further weighing on prices. The prospects for a further policy tightening by the Fed continues to undermine the yellow metal.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	114.92	2.21
Gold (\$)	1,872.56	(10.40)