

FOREIGN EXCHANGE MARKET

News

> The greenback ended the day slightly lower on Monday as investors remained cautious ahead of Fed Chairman Jerome Powell's testimony on Tuesday and Wednesday, together with Nonfarm Payrolls data on Friday.

> EUR/USD climbed toward 1.0700 amid improved risk appetite and despite lower-than-expected economic data. The Eurozone sentiment investor confidence index dropped in March while retail sales rose below the market's expectation.

> GBP/USD fell modestly after being unable to break 1.2050 despite a soft US dollar.

> The Japanese yen was on the downside by 0.15 percent to 136.14 per dollar ahead of the final policy meeting for Bank of Japan Governor Haruhiko Kuroda on Thursday and Friday.

> AUD/USD dropped toward 0.6700 this morning after the RBA hiked the policy rate by 25 bps to 3.60 percent, as expected.

> USD/CAD remained in a range ahead of the Bank of Canada meeting and Canadian employment report on Wednesday and Friday respectively.

> South Africa's rand dropped on Monday with the coming cabinet reshuffle whereby President Cyril Ramaphosa will name a new deputy.

> The USD/MUR sees no change overnight, still trading at MUR 46.80/USD on the offer this morning. With the single currency around 1.0685, the EUR/MUR gains 21 cents to MUR 50.55/EUR on the offer.

Daily Technical View

EUR/USD – Double-top formation with March 1st high at 1.0690 for the single currency portrays an elusive bounce. A dive towards support at 1.0540 could be anticipated today, while a break above 1.0740 hurdle resistance could open the door for further upside.

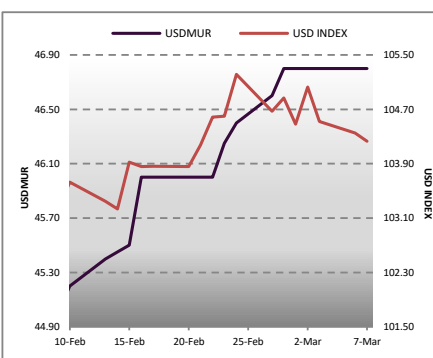
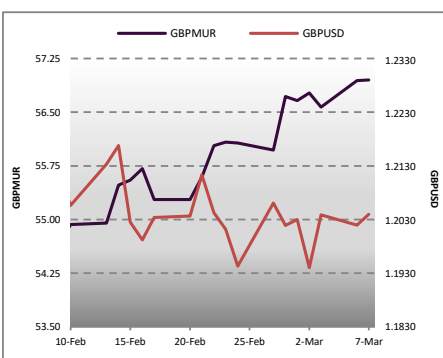
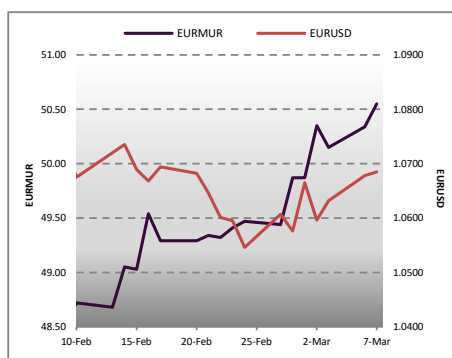
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.81	(0.25)	32.32	(0.26)
CNYMUR	6.60	(0.03)	6.94	(0.03)
EURMUR	49.08	0.21	50.55	0.21
JPYMUR	33.59	(0.12)	35.37	(0.13)
ZARMUR	2.51	(0.01)	2.67	(0.01)
USDMUR	45.90	-	46.80	-
GBPMUR	55.29	0.01	56.95	0.01

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.80	30.78	30.68	32.35	32.42	32.49
EURMUR	49.08	49.06	48.94	50.62	50.77	50.93
ZARMUR	2.50	2.47	2.42	2.67	2.67	2.68
USDMUR	45.83	45.69	45.37	46.79	46.77	46.71
GBPMUR	55.25	55.17	54.96	56.96	57.01	57.06



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6727	0.6747	0.6694	0.6712
EURUSD	1.0679	1.0693	1.0677	1.0687
GBPUSD	1.2023	1.2048	1.2018	1.2043
USDJPY	135.91	136.17	135.84	136.00
USDCHF	0.9305	0.9317	0.9296	0.9300
USDCNH	6.95	6.95	6.94	6.94

Major Indices

	Value at Close	Day Change %
DOW JONES	33,390.97	0.12
S&P 500	8,649.88	0.07
FTSE 100	7,929.79	(0.22)
DAX	15,653.58	0.48
CAC 40	7,373.21	0.34
NIKKEI 225	28,237.78	1.11
HANGSENG	20,742.39	0.68

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
06-Mar	10 00	EU	Retail Sales	Feb	-2.3%	1.90%	1.90%
06-Mar	15 00	US	Factory Orders	Jan	-1.60%	-1.80%	-1.70%
07-Mar	00 30	AU	Trade Balance	Jan	11,688 M	12,700 M	12.237M
07-Mar	03 30	AU	RBA Interest Rate Decision	-	3.60%	3.60%	3.35%

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

> Treasury yields ticked higher yesterday, as investors focused on stronger-than-forecast economic data in recent weeks that raised fears the Federal Reserve may have to hike interest rates more than expected in order to dampen inflation.

> Markets are pricing in a 69.4 percent probability that the Fed will raise interest rates by another 25 basis points to a range of 4.75 percent to 5 percent on March 22, according to the CME FedWatch tool.

> The yield on the 2-year US Treasury note firmed at 4.892 percent, while the benchmark 10-year Treasury note yield rose to 3.981 percent. The yield on the 30-year Treasury bond strengthened to 3.911 percent.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	4.05	3.90
2M	4.15	4.00
3M	4.30	4.15
4M	4.40	4.25
6M	4.45	4.30
8M	4.47	4.32
10M	4.48	4.33
1Y	4.50	4.35

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.70	4.50
3 year	4.90	4.70
4 Year	5.05	4.85
5 Year	5.25	5.00
10 Year	6.00	5.75
15 year	6.15	5.90
20 Year	6.25	6.00

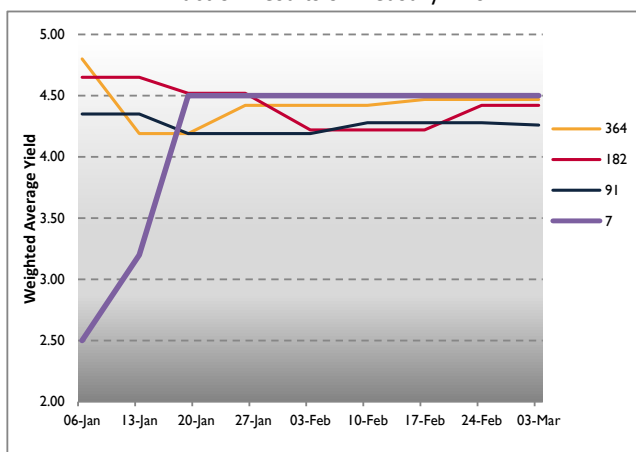
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	4.75	4.25 - 4.50
BoE Bank Rate	4.00	3.50
ECB Ref. Rate	3.00	2.50
RBA Cash Rate	3.35	3.10

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.8758	4.246
UK Bonds	3.74	3.676
German Bonds	3.317	2.877

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.454	4.792	5.101
GBP	-	3.622	3.975	4.381
EURIBOR	1.895	1.908	2.328	2.876

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.828	3.392	3.284	3.253
USD LIBOR - 3m	5.206	4.319	4.102	3.963

* Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

> Oil prices rose to multi-week highs on Tuesday as bets on a strong economic rebound in China were enhanced by better-than-expected trade data, although anticipation of a testimony by Federal Reserve Chair Jerome Powell kept broader sentiment muted.

> The yellow metal peaked at USD 1,858.28 on Monday, its highest in over two weeks, amid broad US dollar weakness. However, prices kept to a tight range this morning as markets stay on the sideline ahead of more cues on monetary policy from a testimony by Federal Reserve Chair Jerome Powell.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	85.94	0.48
Gold (\$)	1,849.16	2.31