

FOREIGN EXCHANGE MARKET

News

- > The greenback ended the day little changed against its peers on Wednesday, as investors remained cautious ahead of US jobs data due on Friday for further clues on the rate hike path from the Federal Reserve.
- > EUR/USD steadied around 1.0550, after falling to 1.0524 earlier on Tuesday amid mixed economic data as German industrial production rose more than expected in January while retail sales unexpectedly fell.
- > GBP/USD remained subdued trading around 1.1840 after hitting a low of 1.1802 the lowest since November 21. While Bank of England's policymakers debate about raising rates further or not, Federal Reserve Chair Jerome Powell suggested they could increase the pace of hikes.
- > AUD/USD held lower ground trading below 0.6600 this morning as inflation numbers from Australia's key customer China came in softer for February.
- > USD/CAD traded at its highest level since November at around 1.3817 after the Bank of Canada left its policy rate unchanged at 4.5 percent as expected.
- > The South African rand regained some ground on Wednesday after reaching its lowest level in almost three years as South African data showed a sharp economic contraction.
- > Against the Japanese yen, the US dollar lost 0.2 percent at 137.04, as Japan's economy grew at a much slower pace than expected in the fourth quarter.
- > The USD/MUR gains 5 cents this morning, to open at MUR 46.95/USD on the offer. With the single currency trading around 1.0560 against the greenback, the EUR/MUR sees a hike of 13 cents to open at MUR 50.03/EUR on the offer.

Daily Technical View

EUR/USD – EUR/USD – Consolidation of the shared currency overnight around 1.0550 is unfolded amid market is cautious waiting for US NFP. The pair could retrace towards support zone around 1.0590 to 1.0615 amid risk-on sentiment. Overall bear trend would resume if the pair crosses resistance at Jan 6th low at 1.0485.

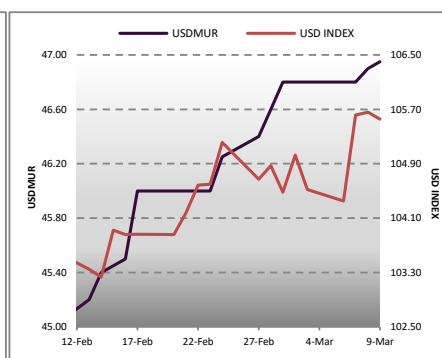
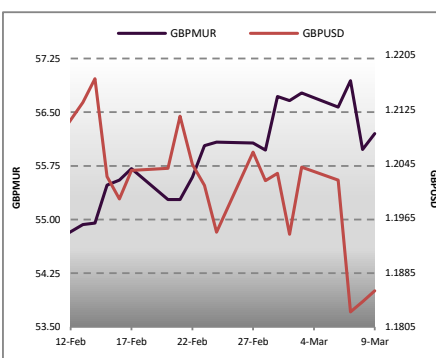
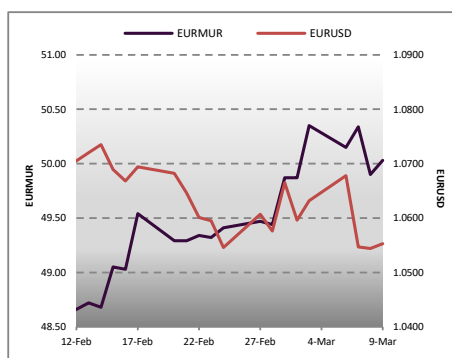
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.36	0.11	31.85	0.12
CNYMUR	6.59	0.02	6.93	0.02
EURMUR	48.57	0.12	50.03	0.13
JPYMUR	33.46	0.23	35.23	0.24
ZARMUR	2.46	-	2.62	-
USDMUR	46.05	0.05	46.95	0.05
GBPMUR	54.56	0.21	56.20	0.22

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.35	30.32	30.22	31.88	31.94	32.00
EURMUR	48.57	48.54	48.38	50.10	50.24	50.36
ZARMUR	2.45	2.42	2.37	2.62	2.62	2.62
USDMUR	45.98	45.81	45.45	46.93	46.90	46.79
GBPMUR	54.52	54.43	54.19	56.21	56.24	56.26



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6586	0.6618	0.6577	0.6610
EURUSD	1.0543	1.0555	1.0539	1.0556
GBPUSD	1.1843	1.1865	1.1832	1.1859
USDJPY	137.33	137.37	136.74	136.87
USDCHF	0.9417	0.9418	0.9399	0.9402
USDCNH	6.97	6.98	6.96	6.98

Major Indices

	Value at Close	Day Change %
DOW JONES	32,856.46	(0.18)
S&P 500	8,530.33	0.15
FTSE 100	7,929.92	0.13
DAX	15,631.87	0.46
CAC 40	7,324.76	(0.57)
NIKKEI 225	28,593.85	0.53
HANGSENG	20,095.26	0.22

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
8-Mar	10 00	EU	Gross Domestic Product	QoQ	0.0%	0.00%	0.10%
8-Mar	13 30	US	Goods and Services Trade Balance	Jan	-68.3B	-68.9B	-67.4B
8-Mar	15 00	CA	BoC Interest Rate Decision	-	4.5%	4.5%	4.5%
9-Mar	13 30	US	Initial Jobless Claims	Mar 3	-	195K	190K

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 closed higher yesterday, after Federal Reserve Chairman Jerome Powell's second day of testimony to Congress kept investors expectations largely on track for higher interest rates.

> Mr. Powell submitted the same written testimony he gave to the Senate Banking Committee on Tuesday, pointing to the possible need to reaccelerate the pace of rate hikes, though he told lawmakers that policy makers had not yet made any decision about their next meeting.

> The yield on the 2-year US Treasury note firmed to 5.064 percent, while the 10-year yield closed at 3.974 percent. The 30-year bond yield eased to 3.875 percent.

> The Treasury yield curve continued to invert more deeply on Wednesday, sending the spread between 10- and 2-year yields to minus 109 basis points, which analysts see as a sign of a looming recession. In addition, the 10-year versus 3-month yield spread reached minus 105.6 basis points, the deepest inversion in almost four decades.

> Today, the Bank of Mauritius will hold the auction for the 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 800 Mio.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	4.00	3.85
2M	4.15	4.00
3M	4.25	4.10
4M	4.30	4.15
6M	4.35	4.20
8M	4.40	4.25
10M	4.45	4.30
1Y	4.50	4.35

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.70	4.50
3 year	4.75	4.55
4 Year	4.80	4.60
5 Year	4.90	4.65
10 Year	5.85	5.60
15 year	6.15	5.90
20 Year	6.25	6.00

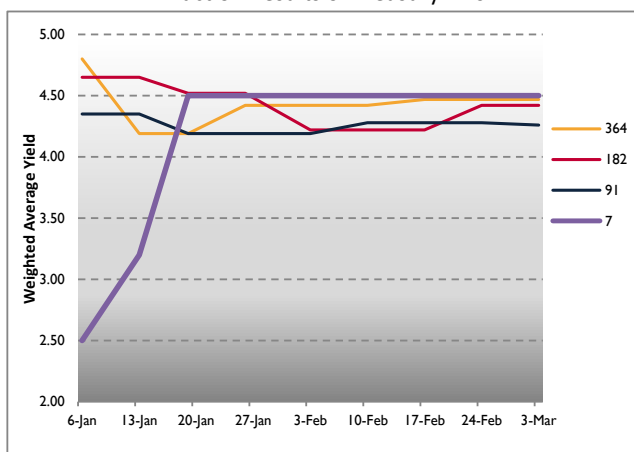
Key Central Bank Rates

	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	3.60	3.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	5.06	4.346
UK Bonds	3.763	3.645
German Bonds	3.358	2.842

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.719	5.025	5.346
GBP	-	4.930	4.320	4.686
EURIBOR	2.348	2.562	2.920	3.418

* LIBOR rates delayed by 48 hours. Source: ICE

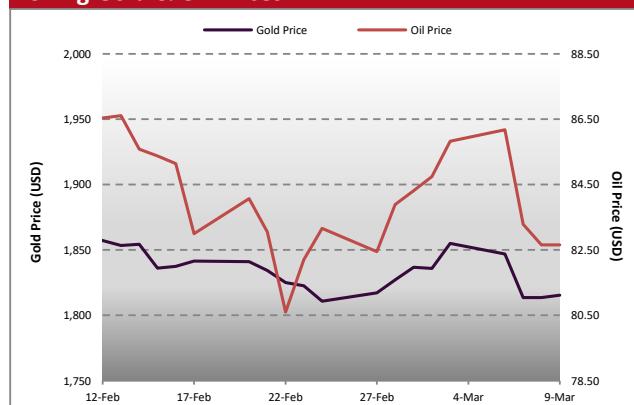
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.861	3.345	3.214	3.163
USD LIBOR - 3m	5.386	4.393	4.159	4.000

* Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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Source: MCB Treasury, Reuters, Bloomberg, Bank of Mauritius

News

> Oil prices kept to a tight range on Thursday, nursing two days of steep losses as moderate demand cues from China and hawkish signals on US interest rates brewed increasing concerns over more headwinds to crude consumption this year.

> Gold prices remain vulnerable, hovering just above their weakest levels this year, amid continued concerns over rising US interest rates.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	82.37	(3.56)
Gold (\$)	1,815.51	1.99