

## FOREIGN EXCHANGE MARKET

### News

> The EURUSD retreated from a high of \$1.0997 yesterday to open the day at \$1.0914 as the market prices a shift in the monetary policy by the US Federal Reserve as data overnight shows a crack in the labour market.

> The Bank of England raised its benchmark interest rate by a quarter of a percentage point to 4.50%, the highest level since 2008, and warned it would not hit its inflation target until 2025.

The pound weakened against the dollar post the announcement on heightened worries about growth and the pair fell as low as USD 1.2495 before steadying around USD 1.2520 this morning.

> The Japanese yen strengthened 0.03 percent against the dollar at 134.53.

> The Canadian dollar dropped sharply to USD 1.3495, tracking lower oil prices, and as market participants digested US PPI and initial claims reading.

> The Aussie is headed for a weekly decline after recording losses overnight on the slew of data from China, a key trading partner, and concerns over a potential global economic slowdown.

> The South African rand weakened against the US dollar and touched 19.3250 yesterday, its lowest record since April 2020, on news reports that South Africa had provided arms to Russia, spooked investors already concerned about the economic impact of crippling power cuts.

> The USD/MUR gains 5 cents this morning, to open at MUR 45.80/USD on the offer. With the single currency trading around 1.0920 against the greenback, the EUR/MUR sees a drop to MUR 50.21/EUR on the offer.

### Daily Technical View

EUR/USD – The single currency plummeted to one-month low at round figure 1.09, realizing the biggest daily slump in two weeks. The pair's bounce towards 1.0925 remains elusive with immediate resistance at 1.0970. On the contrary, an extension of the slump could be seen towards support Fibonacci level at 1.0860.

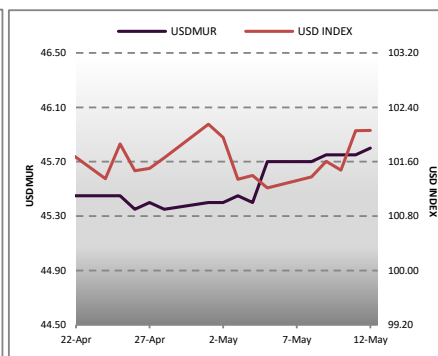
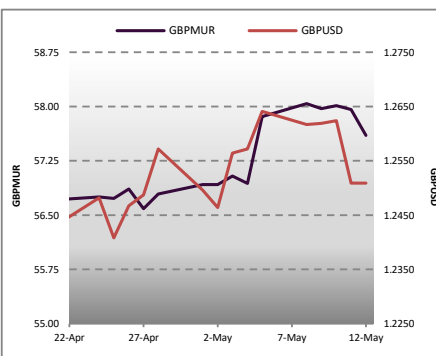
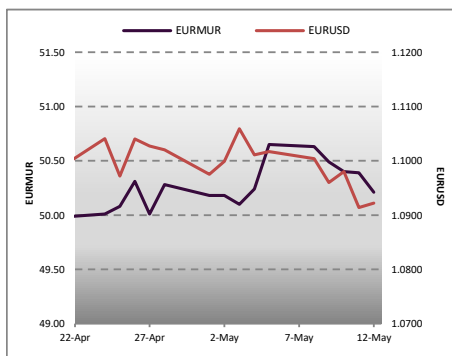
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.05	(0.32)	31.52	(0.34)
CNYMUR	6.45	-	6.78	-
EURMUR	48.75	(0.17)	50.21	(0.18)
JPYMUR	33.20	(0.05)	34.96	(0.05)
ZARMUR	2.33	(0.04)	2.48	(0.04)
USDMUR	44.90	0.05	45.80	0.05
GBPMUR	55.92	(0.35)	57.60	(0.36)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.05	30.03	29.97	31.55	31.61	31.69
EURMUR	48.75	48.73	48.63	50.28	50.42	50.61
ZARMUR	2.32	2.29	2.24	2.48	2.47	2.47
USDMUR	44.84	44.70	44.45	45.79	45.78	45.77
GBPMUR	55.89	55.79	55.55	57.61	57.64	57.66



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6702	0.6706	0.6686	0.6692
EURUSD	1.0914	1.0930	1.0912	1.0924
GBPUSD	1.2511	1.2526	1.2507	1.2510
USDJPY	134.50	134.79	134.41	134.79
USDCHF	0.8942	0.8947	0.8920	0.8929
USDCNH	6.96	6.96	6.95	6.96

#### Major Indices

	Value at Close	Day Change %
DOW JONES	33,531.33	(0.66)
S&P 500	8,849.69	(0.14)
FTSE 100	7,730.58	(0.14)
DAX	15,834.91	(0.39)
CAC 40	7,381.78	0.28
NIKKEI 225	29,126.72	0.02
HANGSENG	19,606.85	0.33

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
11-May	11 00	UK	BoE Interest Rate Decision	-	4.50%	4.50%	4.25%
12-May	06 00	UK	Gross Domestic Product (YoY)	Q1	-	0.20%	0.60%
12-May	14 00	US	Michigan Consumer Sentiment Index	May	63	63.5	63.5
15-May	08 30	UK	BoE Monetary Policy Report Hearings	-	-	-	-

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 closed lower yesterday, as market participants weighed debt-ceiling concerns against signs of moderating inflation.

> Uncertainty over the US debt ceiling continues to cast a shadow over markets after US Treasury secretary Mrs. Janet Yellen warned earlier this month that the government could run out of money as soon as June 1.

> Meanwhile, data released yesterday showed that initial jobless claims in the week ended May 6 rose to the highest level since October 2021, and that April producer prices rose 2.3 percent over past year, the smallest increase since January 2021.

> The yield on the 2-year US Treasury note eased to 3.906 percent, while the 10-year yield dropped 3.4 basis points to trade at 3.396 percent. The yield on the 30-year Treasury gave away 5.1 basis points to 3.747 percent.

> The Bank of Mauritius received applications for the 182-Day Government of Mauritius Treasury Bills for a total amount of MUR 1,650 Mio but allotted only MUR 800 Mio at the weighted average rate of 4.73 percent.

> Today, the Bank of Mauritius will issue 7-Day Bank of Mauritius Bills (Bills), at the fixed rate of 4.50% p.a.

### Market Highlights

#### Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	4.55	4.40
2M	4.60	4.45
3M	4.65	4.50
4M	4.70	4.55
6M	4.75	4.60
8M	4.78	4.63
10M	4.82	4.67
1Y	4.85	4.70

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.92	4.72
3 year	4.95	4.75
4 Year	4.97	4.77
5 Year	5.05	4.80
10 Year	5.35	5.10
15 year	5.70	5.45
20 Year	6.05	5.80

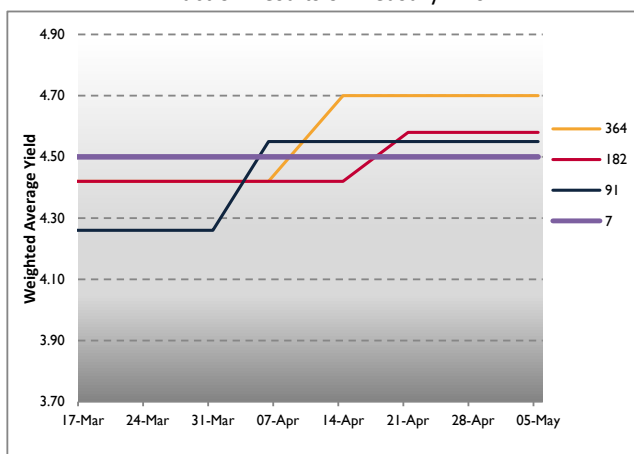
#### Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	5.25	5.00
BoE Bank Rate	4.50	4.25
ECB Ref. Rate	3.75	3.50
RBA Cash Rate	3.85	3.60

#### Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	3.8973	3.353
UK Bonds	3.719	3.535
German Bonds	2.627	2.202

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	5.106	5.339	5.390
GBP	-	-	4.666	-
EURIBOR	3.096	3.146	3.301	3.625

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

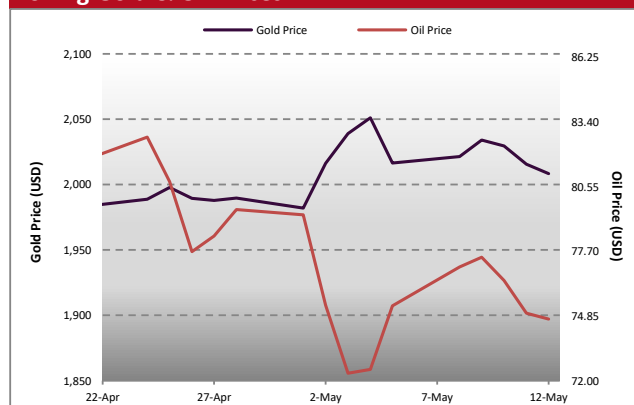
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.261	2.842	2.820	2.873
USD LIBOR - 3m	4.107	3.431	3.385	3.410

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



### News

> Oil prices extended losses this morning during the Asian hours as disappointing economic signals from China saw markets further question the pace of a post-Covid economic rebound in the country. Concerns over a potential US recession also cast doubts over crude demand this year.

> Gold prices steadied on Friday after reversing all their gains this week as sticky US PPI inflation data saw markets scale back their expectations for any interest rate cuts by the Federal Reserve this year.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	77.48	0.54
Gold (\$)	2,008.80	(20.71)

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