

FOREIGN EXCHANGE MARKET

News

> The Greenback remained weak on Tuesday despite in-line US CPI and a rebound in US Treasury yields. The annual CPI in the US declined to 6 percent in February as expected while the monthly core CPI came in slightly higher than forecast while focus now turns to US retail sales figures.

> The shared currency rallied against a generally weaker US dollar to above 1.0740. On Thursday, the ECB will have its monetary policy meeting and a 50 basis point rate hike is still expected.

> The British Pound remained in a tight range around the 1.2160 level as the UK unemployment rate was unchanged at 3.7 percent. Traders now await the UK Chancellor Jeremy Hunt's annual budget speech.

> The Japanese yen against the US dollar dropped down 0.08 percent to 134.30.

> AUD/USD edged upward through trade on Tuesday, climbing back above 0.6650 amid modest US CPI data and easing fears the US financial system will collapse.

> USD/CAD reached weekly lows at 1.3645 before rebounding toward 1.3700 while manufacturing sales in Canada rose by 4.1 percent in January, surpassing expectations of a 3.9 percent gain.

> USD/ZAR is trading around 18.1550, 0.38 percent stronger than its previous close on Monday.

> While the USD/MUR stagnates at MUR 47.00/USD on the offer, the EUR/MUR sees a hike of 25 cents to open at MUR 51.07/EUR on the offer this morning.

Daily Technical View

EUR/USD – The single currency retreated from daily high at 1.0759, unfolding into a rising wedge. Bulls could further extend towards support 1.0805, where February 14th high sits. Key confluent support lies at 1.07 for a validation of resumption of downwards momentum.

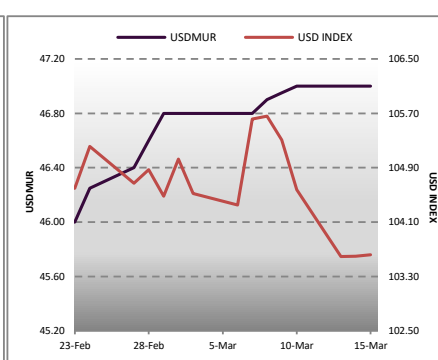
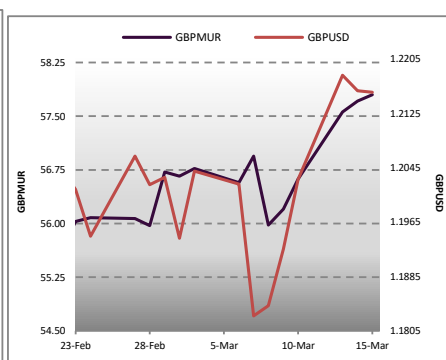
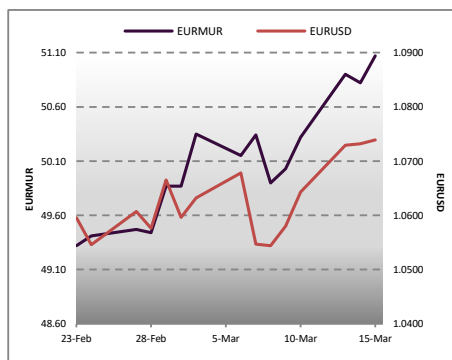
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	30.88	0.25	32.39	0.26
CNYMUR	6.69	(0.01)	7.03	(0.01)
EURMUR	49.58	0.24	51.07	0.25
JPYMUR	34.16	(0.11)	35.97	(0.12)
ZARMUR	2.53	0.01	2.69	0.01
USDMUR	46.10	-	47.00	-
GBPMUR	56.12	0.09	57.80	0.10

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	30.87	30.85	30.77	32.41	32.47	32.57
EURMUR	49.58	49.55	49.46	51.14	51.29	51.48
ZARMUR	2.52	2.49	2.44	2.69	2.69	2.69
USDMUR	46.03	45.88	45.60	46.98	46.96	46.93
GBPMUR	56.06	55.97	55.73	57.80	57.84	57.88



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6682	0.6711	0.6676	0.6689
EURUSD	1.0731	1.0759	1.0726	1.0743
GBPUSD	1.2158	1.2181	1.2148	1.2159
USDJPY	134.21	134.62	134.04	134.54
USDCHE	0.9141	0.9150	0.9124	0.9143
USDCNH	6.88	6.89	6.87	6.89

Major Indices

	Value at Close	Day Change %
DOW JONES	31,819.14	1.06
S&P 500	8,379.16	1.60
FTSE 100	7,637.11	1.17
DAX	15,232.83	1.83
CAC 40	7,141.57	1.86
NIKKEI 225	27,222.04	(2.19)
HANGSENG	19,480.57	0.10

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
14-Mar	07 00	UK	Claimant Count Change	Feb	-11.2K	-12.4K	-12.9K
14-Mar	07 00	UK	ILO Unemployment Rate	Feb	3.70%	3.80%	3.70%
14-Mar	12 30	US	Consumer Price Index ex Food & Energy	Feb	5.5%	5.50%	5.60%
15-Mar	12 30	US	Retail Sales	Feb		-0.30%	3.00%

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 ticked higher yesterday, after February's consumer-price index showed little sign of progress on inflation, giving the 2-year rate its biggest advance in more than a month.

> The US Consumer Price Index rose 0.4 percent last month after accelerating 0.5 percent in January. In the 12 months through February, the CPI increased by 6 percent, a slower pace than the 6.4 percent annualized gain in January. However, this is still above the Federal Reserve 2 percent objective.

> The 2-year Treasury note yield gained 19.1 basis points to trade at 4.221 percent, while the benchmark 10-year yield strengthened to 3.633 percent. The long-bond yield firmed at 3.760 percent.

> Tomorrow, the Bank of Mauritius will hold the auction for the 182-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

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

Local Secondary Market T-Bonds

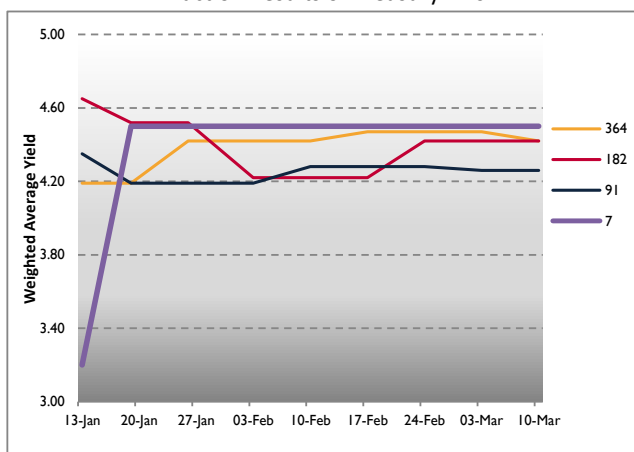
	Bid (%)	Offer (%)
2 year	4.70	4.50
3 year	4.75	4.55
4 Year	4.80	4.60
5 Year	4.90	4.65
10 Year	5.85	5.60
15 year	6.15	5.90
20 Year	6.25	6.00

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	4.3168	3.850
UK Bonds	3.496	3.412
German Bonds	2.894	2.523

Auction Results of Treasury Bills

Money Market Rates

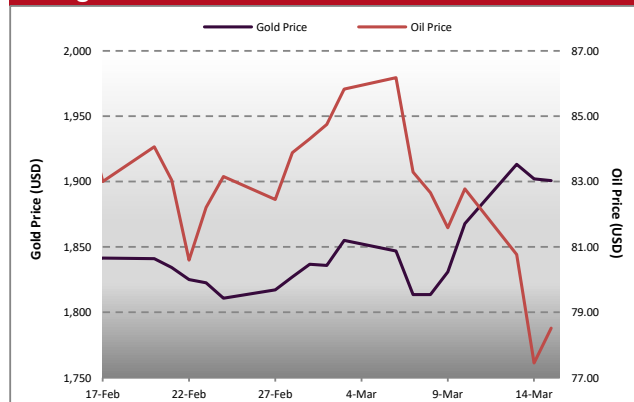
LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.684	4.866	5.051
GBP	-	4.084	4.264	4.541
EURIBOR	2.378	2.646	2.957	3.375

* LIBOR rates delayed by 48 hours. Source: ICE

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.545	3.170	3.074	3.054
USD LIBOR - 3m	4.577	3.938	3.799	3.719

* Pay fixed and receive floating swap

COMMODITIES
Rolling Gold & Oil Prices

News

> Oil recouped some of its losses this morning during the Asian hours after dropping to a three-month low during the previous day session as fear of a potential banking crisis in the US drove up concerns that a recession could crimp oil demand this year. Optimism over Chinese demand, following strong economic data, and a hike in the OPEC's outlook for the country supported oil prices.

> The yellow metal rose sharply in recent sessions as the collapse of several US banks triggered a rush into traditional safe havens. However, gold shed some of its recent losses amid a mixed reading on US inflation on Tuesday and higher US Treasury yields.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	79.08	(3.42)
Gold (\$)	1,901.05	(12.18)

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