

FOREIGN EXCHANGE MARKET

News

- > Risk sentiment has eased as major central banks and market participants moved to spread calm on the financial system, pulling the dollar slightly down while the Federal Reserve meeting next week takes center stage.
- > EUR/USD edged upward after the European Central Bank went for a third consecutive 50 basis points interest rate hike to tame inflation in the Eurozone while policymakers reassured investors that the Eurozone banks are resilient.
- > GBP/USD rose above 1.2100 after having dropped below 1.2030 earlier yesterday ahead of next week's UK CPI and BoE announcements.
- > AUD/USD rallied above 0.6700 in Asian trade this morning amid improvement in market sentiment.
- > The Canadian dollar strengthened against the greenback on Thursday underpinned by rising oil prices while uncertainty for Fed monetary policy deepens.
- > The Swiss franc has recovered as the Swiss National Bank threw a lifeline to rescue Credit Suisse.
- > Fragile market sentiment have pushed investors to the safety of the Japanese yen which has gained about 3 percent since last Friday.
- > The USD/MUR gains another 10 cents and the EUR/MUR edged higher to MUR 50.45/EUR on the offer this morning.

Daily Technical View

EUR/USD – The shared currency resurrected 100 pips to a fresh day high at 1.0650, recovering above the 50% Fibonacci retracement. Further retracement towards resistance neighboring region around 1.0660-1.07 could be expected today. Overall outlook remains bearish. A plunge below yesterday's low at 1.0550 would open the door for further dive.

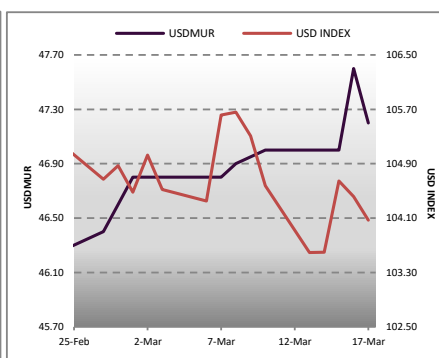
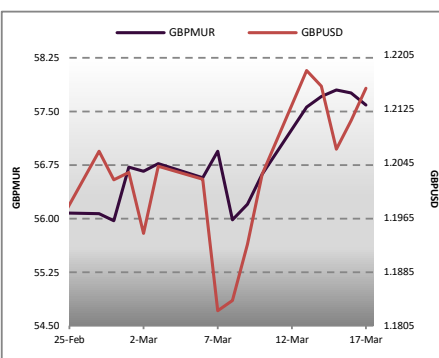
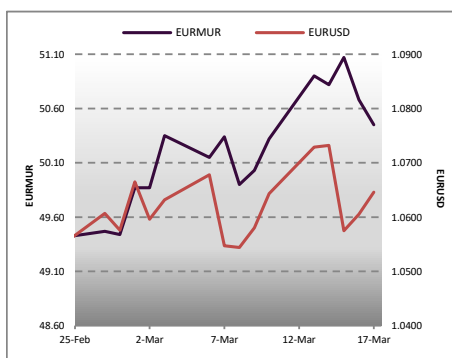
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	31.03	0.07	32.55	0.07
CNYMUR	6.73	(0.03)	7.07	(0.04)
EURMUR	48.98	(0.22)	50.45	(0.23)
JPYMUR	34.57	(0.45)	36.40	(0.48)
ZARMUR	2.51	(0.02)	2.67	(0.02)
USDMUR	46.30	(0.40)	47.20	(0.40)
GBPMUR	55.91	(0.17)	57.59	(0.17)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	31.02	31.00	30.92	32.58	32.63	32.74
EURMUR	48.97	48.94	48.86	50.51	50.66	50.87
ZARMUR	2.50	2.47	2.42	2.67	2.67	2.68
USDMUR	46.24	46.05	45.78	47.19	47.14	47.12
GBPMUR	55.87	55.78	55.56	57.60	57.63	57.68



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6653	0.6715	0.6650	0.6706
EURUSD	1.0607	1.0650	1.0607	1.0648
GBPUSD	1.2108	1.2160	1.2101	1.2157
USDJPY	133.74	133.77	132.87	132.96
USDCHE	0.9293	0.9301	0.9259	0.9265
USDCNH	6.90	6.90	6.86	6.87

Major Indices

	Value at Close	Day Change %
DOW JONES	31,874.57	1.17
S&P 500	8,468.33	1.70
FTSE 100	7,410.03	0.89
DAX	14,967.10	1.57
CAC 40	7,025.72	2.03
NIKKEI 225	27,010.61	(0.80)
HANGSENG	19,430.06	0.10

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
16-Mar	16 30	US	Building Permits	Feb	1.524M	1.34M	1.339M
16-Mar	16 30	US	Housing Starts	Feb	1.45M	1.31M	1.309M
16-Mar	17:15	EU	ECB Monetary Policy Decision	-	-	-	-
17-Mar	14 00	EU	Harmonized Index of Consumer Prices	Feb	-	0.80%	0.80%

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 edged higher yesterday, after several banks agreed to a funding deal to rescue First Republic Bank.
- > 11 banks, including Bank of America, Citigroup, and JPMorgan Chase stepped in to shore up First Republic Bank in a joint rescue totaling USD 30 billion. The pledge gave US stocks a lift and sent Treasury yields rates higher. The multibank action followed the Swiss central bank efforts to support beleaguered bank Credit Suisse.
- > Meanwhile, the European Central Bank, ECB raised its key interest rates by 50 basis points on Thursday, pressing on with its fight to tame inflation despite signs of stress in the financial system.

- > The yield on the US 2-year Treasury gained 15.7 basis points to trade at 4.130 percent, while the 10-year Treasury yield firmed by 8.8 basis points to 3.580 percent. The long-bond yielded 3.712 percent from 3.687 percent on Wednesday.
- > The Bank of Mauritius received applications for the 182-Day Government of Mauritius Treasury Bills for a total amount of MUR 2,500 Mio but allotted only MUR 800 Mio at the weighted average rate of 4.42 percent.

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	4.95	4.70
10 Year	5.85	5.60
15 year	6.15	5.90
20 Year	6.25	6.00

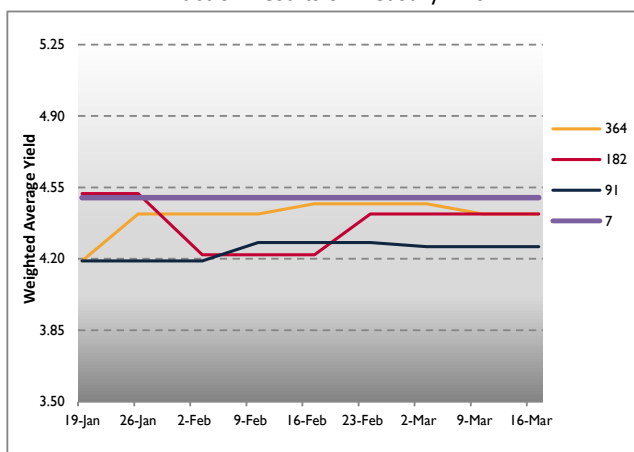
Key Central Bank Rates

	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	3.50	3.00
RBA Cash Rate	3.60	3.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.1447	3.714
UK Bonds	3.333	3.259
German Bonds	2.625	2.314

Auction Results of Treasury Bills



Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	4.709	4.907	4.834
GBP	-	4.071	4.245	4.540
EURIBOR	2.415	2.615	2.815	3.131

* LIBOR rates delayed by 48 hours. Source: ICE

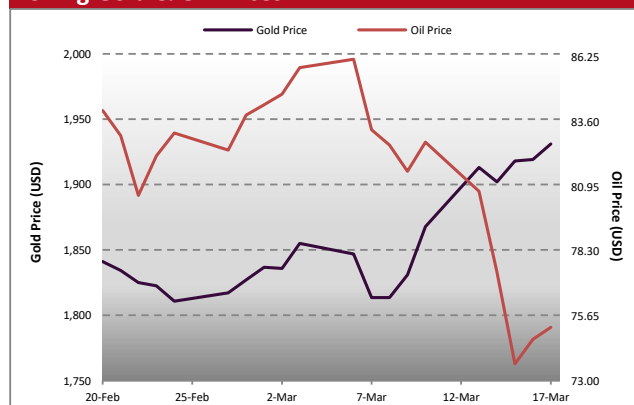
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.238	3.024	2.972	2.986
USD LIBOR - 3m	4.422	3.823	3.670	3.600

* 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 look set for their worst week this year although the prospect of supportive measures by the Organization of Petroleum Exporting Countries and allies (OPEC+) is limiting losses.
- > Gold braces for the biggest weekly gains since early November, underpinned by a rush to safe havens as the collapse of several regional US banks ramped up concerns over contagion in the broader economy as well as fears of a looming recession.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	73.20	(5.87)
Gold (\$)	1,931.90	13.80