

## FOREIGN EXCHANGE MARKET

### News

> The greenback ended slightly changed against majority of its peers on Monday ahead of the release of US PMI data later in the day while US President Joe Biden and House Speaker Kevin McCarthy failed to offer a deal to avoid the debt ceiling expiry during the latest negotiations.

> EUR/USD oscillated in a narrow range on Monday while investors are now focused on the release of preliminary Eurozone PMI numbers scheduled for this Tuesday.

> GBP/USD ended the day flat, hovering around 1.2430. The UK is set to report on public sector net borrowing, and PMI data will also be released later in the day ahead of UK inflation data, to be published on Wednesday.

> USD/JPY strengthened to a near six-month peak of 138.80 early morning, as market players expect US interest rates to remain higher for longer.

> AUD/USD held gains around 0.6650 after the release of better-than-expected aussie PMI data.

> USD/CAD seesawed around 1.3500 amid Canadian Bank Holiday on Monday and despite firmer oil prices.

> The South African rand rose on Monday amid relief that South Africa's credit rating was not demoted and interest rate hike is expected from the central bank later this week.

> While the USD/MUR stagnates at MUR 45.90/USD on the offer, the EUR/MUR sees yet another drop to be offered at MUR 49.79/EUR this morning.

### Daily Technical View

EUR/USD - The Euro pair skirted the top line of a 13-day-old descending trend channel around 1.0815. A flight past resistance at 1.0840 would incite bulls to challenge 1.10 area. On the flipside, support is dented at last Friday's low at 1.0760.

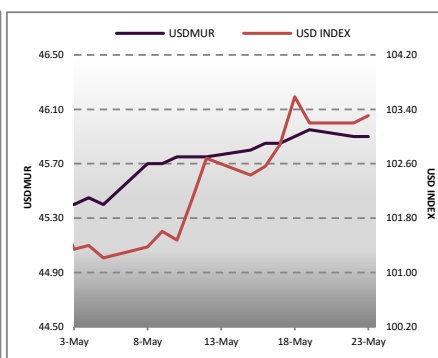
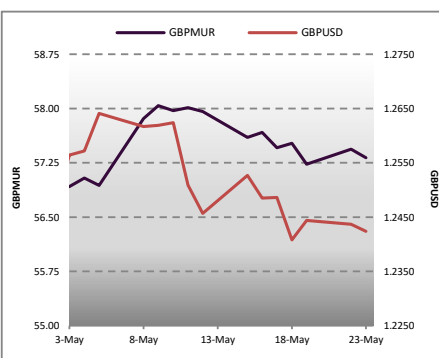
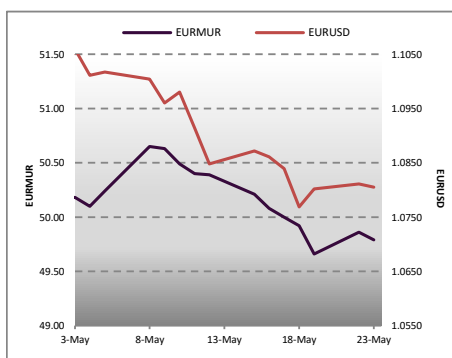
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.94	0.01	31.41	0.01
CNYMUR	6.37	(0.02)	6.70	(0.02)
EURMUR	48.34	(0.07)	49.79	(0.07)
JPYMUR	32.31	(0.21)	34.02	(0.22)
ZARMUR	2.33	0.01	2.48	0.01
USDMUR	45.00	-	45.90	-
GBPMUR	55.65	(0.12)	57.32	(0.12)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.94	29.91	29.86	31.44	31.49	31.59
EURMUR	48.34	48.32	48.22	49.86	49.99	50.14
ZARMUR	2.32	2.29	2.24	2.48	2.47	2.47
USDMUR	44.94	44.79	44.52	45.89	45.87	45.84
GBPMUR	55.62	55.51	55.25	57.33	57.36	57.36



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6652	0.6661	0.6642	0.6649
EURUSD	1.0810	1.0820	1.0801	1.0808
GBPUSD	1.2438	1.2446	1.2422	1.2427
USDJPY	138.60	138.87	138.36	138.67
USDCHE	0.8978	0.8995	0.8976	0.8993
USDCNH	7.05	7.07	7.04	7.07

#### Major Indices

	Value at Close	Day Change %
DOW JONES	33,426.63	(0.42)
S&P 500	8,990.89	0.03
FTSE 100	7,770.99	0.18
DAX	16,223.99	(0.32)
CAC 40	7,478.16	(0.18)
NIKKEI 225	31,086.82	0.90
HANGSENG	19,564.34	0.33

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
23-May	07 30	DE	HCOB Composite PMI	May	-	53.5	54.20
23-May	08 00	EU	HCOB Composite PMI	May	-	53.7	54.10
23-May	08 30	UK	S&P Global/CIPS Services PMI	May	-	55.5	55.9
23-May	22 45	NZ	Retail Sales	Q1	-	-0.40%	-0.60%

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 and traders awaited the outcome of debt-ceiling negotiations later in the day.

> The yield on the 2-year US Treasury note gained 3.1 basis points to trade at 4.318 percent, while the benchmark 10-year yield rose by 2.3 basis points to 3.969 percent. The 30-year Treasury bond yield firmed by 2.3 basis points to 3.969 percent.

> The US President Mr. Joe Biden and Republican House Speaker Mr. Kevin McCarthy on Monday evening failed to reach a fiscal deal to avoid a default on US debt, but talks were set to continue, suggesting an agreement could be within reach.

> The urgency of an agreement has become even clearer after repeated warnings from Mrs. Janet Yellen, the Treasury secretary that time was running out before the Treasury ran out of money.

### 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	4.80	4.65
10M	4.85	4.70
1Y	4.90	4.75

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#### 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

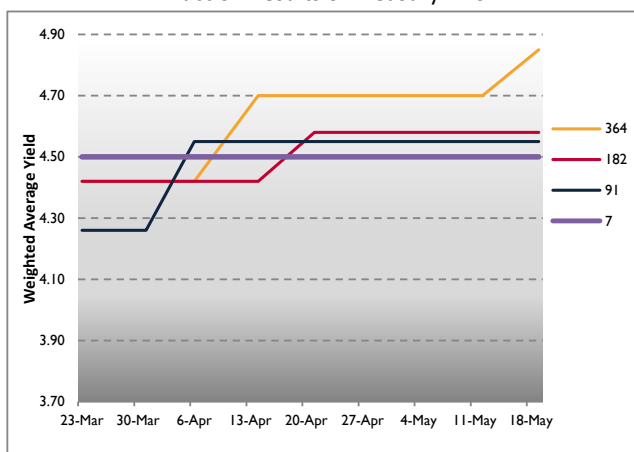
#### Key Central Bank Rates

	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	4.3459	3.778
UK Bonds	4.034	3.891
German Bonds	2.839	2.446

#### Auction Results of Treasury Bills



#### Money Market Rates

LIBOR* (%)	1 Week	1 Month	3 Months	6 Months
EUR	-	-	-	-
USD	-	5.140	5.393	5.467
GBP	-	-	4.727	-
EURIBOR	3.129	3.134	3.415	3.707

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

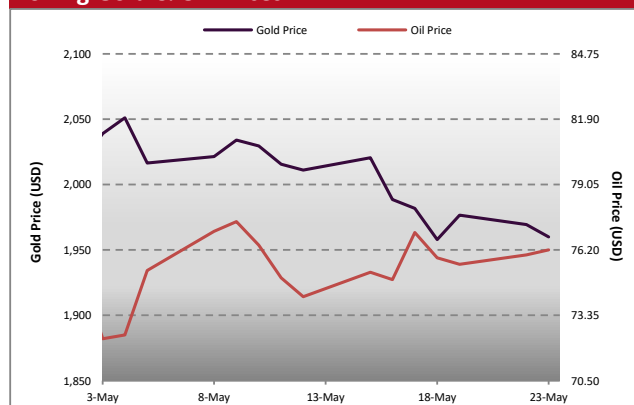
#### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.512	3.091	3.047	3.080
USD LIBOR - 3m	4.507	3.846	3.754	3.731

\* Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

> Oil prices extended gains this morning in Asia as markets bet that fuel consumption will pick up with the start of the summer season. A sustained drop in US gasoline inventories over the past two weeks coupled with disruption in Canadian supply points to tighter oil markets in the coming months.

> Gold prices ticked lower on Tuesday, negating a short-lived recovery as markets remained focused on negotiations over raising the US spending limit. Focus this week is now on more US economic indicators, as well as the minutes of the Fed's May meeting, which are due on Wednesday.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	77.24	(0.07)
Gold (\$)	1,960.40	(16.16)