

FOREIGN EXCHANGE MARKET

News

> The dollar is trading lower against its major counterparts, undermined by the release of soft US labor market data on Thursday that outshaded strong ISM PMIs figures. The US Central Bank left interest rates unchanged on Wednesday. Markets will await the US Nonfarm Payrolls (NFP) data due today for fresh impetus.

> The euro recovered during the previous day session after Euro Zone inflation data declined less than expected, keeping rate cut expectations at bay.

> The GBP/USD pair was trading in the mid 1.27 region in the Asian session this morning while the Bank of England held interest rate steady at 5.25 percent on Thursday.

> South African rand firmed on Thursday, as the US dollar reversed earlier gains despite the Federal Reserve's relatively hawkish position.

> The Japanese Yen is trading just below two-week top against USD this morning ahead of the US jobs report for a fresh impetus.

> The Australian and New Zealand dollars recovered this morning on risk on mood, despite some pressure as their domestic economies continue to soften. The AUD/USD is trading a tad below the 0.66 level while the NZD/USD trades around 0.6150.

> The Canadian dollar rose to 1.3367 against its US counterpart as it benefited from a rebound in stocks.

> On the local market, the USDMUR drops by five cents this morning to open at 45.58 on the offer side. The EURMUR and GBPMUR, on the other hand, both trades higher on the selling side at 50.05 and 58.67 respectively.

Daily Technical View

EUR/USD – The pair made a decisive U-turn from weeks' low at 1.0780 to 1.0880 this morning amid broad US dollar weakness across the board. Non-farm payroll data tonight might restrict further upside below resistance at 1.0930/50, while a significant plunge below support at 1.0780, will open doors towards 1.0735. Near-term structure remains bearish.

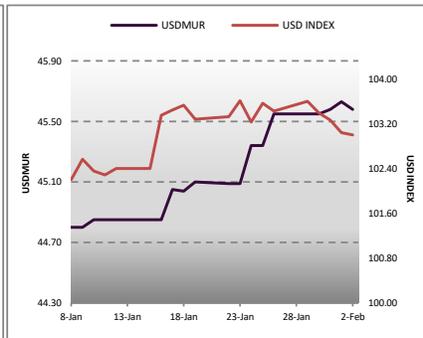
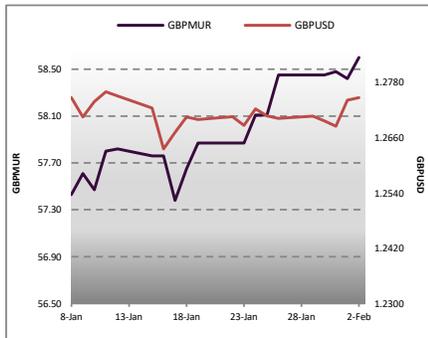
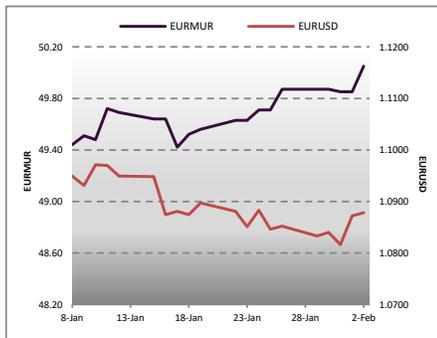
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.47	0.08	30.91	0.08
CNYMUR	6.21	-	6.53	-
EURMUR	48.59	0.19	50.05	0.20
JPYMUR	30.38	0.24	31.99	0.25
ZARMUR	2.40	0.03	2.56	0.0
USDMUR	44.68	(0.05)	45.58	(0.05)
GBPMUR	56.96	0.24	58.67	0.25

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.42	29.32	29.13	30.89	30.86	30.81
EURMUR	48.51	48.33	48.08	50.04	50.02	50.04
ZARMUR	2.38	2.35	2.29	2.56	2.55	2.54
USDMUR	44.57	44.32	43.94	45.52	45.40	45.25
GBPMUR	56.83	56.56	56.11	58.59	58.44	58.25



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6570	0.6599	0.6570	0.6596
EURUSD	1.0871	1.0882	1.0868	1.0881
GBPUSD	1.2740	1.2754	1.2743	1.2751
USDJPY	146.42	146.51	146.25	146.48
USDCHF	0.8579	0.8582	0.8566	0.8575
USDCNH	7.19	7.19	7.19	7.19

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	38,150.30	0.97
S&P 500	4,927.93	0.75
FTSE 100	7,622.16	(0.11)
DAX	16,859.04	(0.67)
CAC 40	7,588.75	(1.16)
Nikkei 225	36,011.46	(0.15)
HANGSENG	15,566.21	0.78

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
31-Jan	23 00	US	Fed Interest Rate Decision		5.5%	5.5%	5.5%
2-Feb	17 30	US	Nonfarm Payrolls	Jan	-	180K	216K
2-Feb	17 30	US	Average Hourly Earnings (YoY)	Jan	-	4.1%	4.1%

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 fell on Thursday to their lowest levels so far for the year 2024 as traders are taking into account several risks to the US economy, labor market and Federal Reserve policy.

> The 2-year Treasury yield was down 2.9 basis points at 4.20 percent and the 10-year Treasury note yield dropped 10.7 basis points at 3.858 percent.

> The 30-year Treasury bond yield fell 11.9 basis points at 4.096 percent.

> Auctions on the short term papers on Wednesday saw a weighted average yield of 3.38% on the 91D, 3.76% on the 182D and 3.90% on the 364D. Excess liquidity on the market currently stands around MUR 19billions.

> On the secondary market, we have seen activities of approximately MUR 100mio on some short dated T-bills and MUR 36mio on the 15Yr paper, which still demonstrates investors' interest for this paper.

> Today's focus will be on the issuance of the weekly 7D BOM Bills and a 2YR BOM Note for a nominal amount of MUR 1billion and MUR 3billions respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.15	3.00
2M	3.20	3.05
3M	3.25	3.10
4M	3.40	3.25
6M	3.55	3.40
8M	3.60	3.45
10M	3.65	3.50
1Y	3.70	3.55

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Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.30	4.10
3 year	4.75	4.55
4 Year	4.75	4.55
5 Year	4.80	4.55
10 Year	4.95	4.70
15 year	5.35	5.10
20 Year	5.80	5.55

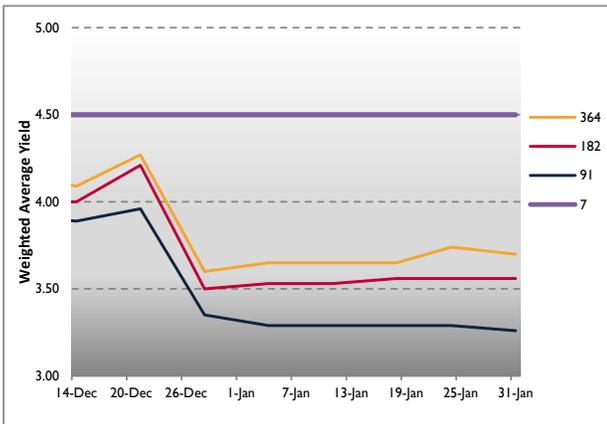
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	5.50	5.50
BoE Bank Rate	5.25	5.00
ECB Ref. Rate	4.50	4.50
RBA Cash Rate	4.35	4.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.2166	3.819
UK Bonds	4.213	3.692
German Bonds	2.4523	2.064

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.444	5.577	5.593
EURIBOR	3.832	3.877	3.905	3.835
SONIA	-	5.193	5.202	5.128

* rates delayed by 48 hours. Source: ICE & Refinitiv

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.822	2.459	2.465	2.537
USD OIS	4.016	3.530	3.459	3.473

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

> Gold price oscillates in a narrow trading band during the Asian session this morning and consolidates its weekly gains to a one-month peak touched the previous day.

> Oil prices rose in early trade this Friday following a decision by OPEC to keep its oil output policy unchanged, though benchmarks were headed for weekly losses amid unsubstantiated reports of a ceasefire between Israel and Hamas.

Spot Market		
	Today	Change (\$)
Brent Crude Oil (\$)	84.81	(1.91)
Gold (\$)	2,055.95	18.76