

FOREIGN EXCHANGE MARKET

News

- > The Dollar Index edged higher today to the range of 102.70. Data released yesterday showed an improvement in the US ISM Manufacturing PMI to 47.4 for December 2023. Traders now await the closely-watched US nonfarm payrolls report due on Friday.
- > The stronger Greenback and higher US Treasury bond yields exert some pressure on the EUR/USD. The currency pair is trading at 1.0922 during the early Asian session on Thursday.
- > The cable is currently trading around the 1.2660 region, nearly unchanged for the day.
- > The Canadian dollar weakened to a near two-week low against its US counterpart on Wednesday ahead of the release of the Canadian employment report on Friday.
- > AUD/USD edges lower on risk-off sentiment and improved US Dollar. Australian services and composite PMI reduced to 47.1 and 46.9, respectively in December.
- > The South African rand fell after the US dollar posted its best daily performance. The rand traded at 18.8250 against the dollar.
- > The Japanese Yen edges lower for the third day on Thursday and languishes near a two-week low against the US Dollar during the Asian session.
- > The USD/MUR gains 3 cents trading at MUR 44.68/USD on the offer while the EUR/MUR and GBP/MUR are offered at MUR 49.26/EUR and MUR 57.15/GBP this morning.

Daily Technical View

EURUSD trades around 1.0925 ahead of German CPI and US ADP report. FOMC minutes stated that the actual path will depend on how the economy evolves and Richmond Fed President Thomas Barkin stated that interest rate hikes cannot be ruled out despite progress in inflation control. These rather hawkish comments boost the US dollar across the board. Support lies around 1.0900 and 1.0860 while on the upside, the pair might face some resistance at 1.0970.

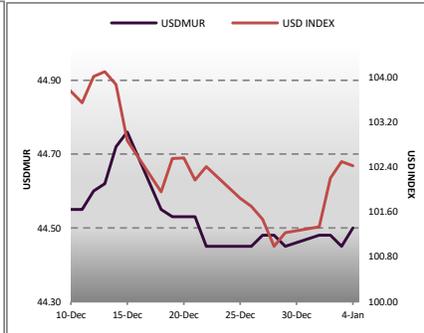
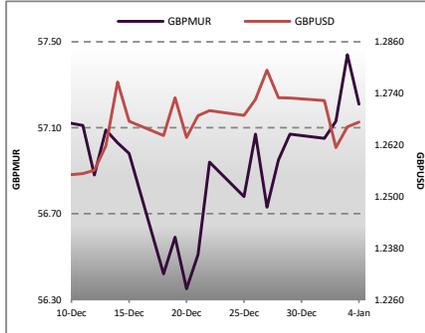
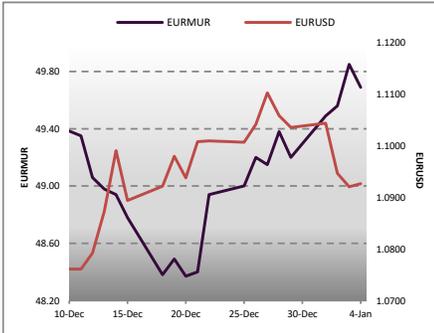
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.50	(0.10)	30.95	(0.10)
CNYMUR	6.10	(0.01)	6.41	(0.01)
EURMUR	47.83	(0.13)	49.26	(0.14)
JPYMUR	30.38	(0.29)	31.99	(0.31)
ZARMUR	2.33	(0.02)	2.48	(0.0)
USDMUR	43.78	0.03	44.68	0.03
GBPMUR	55.49	0.19	57.15	0.19

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.46	29.35	29.21	30.94	30.90	30.92
EURMUR	47.75	47.58	47.32	49.25	49.24	49.24
ZARMUR	2.31	2.28	2.22	2.48	2.47	2.46
USDMUR	43.67	43.43	43.03	44.61	44.50	44.34
GBPMUR	55.36	55.09	54.64	57.07	56.93	56.73



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6732	0.6749	0.6722	0.6748
EURUSD	1.0921	1.0934	1.0917	1.0925
GBPUSD	1.2660	1.2676	1.2658	1.2673
USDJPY	143.28	143.88	142.86	143.70
USDCHF	0.8490	0.8506	0.8483	0.8494
USDCNH	7.16	7.17	7.16	7.16

Major Indices

	Value at Close	Day Change %
DOW JONES	37,715.04	(0.76)
S&P 500	4,742.83	(0.81)
FTSE 100	7,682.33	(0.51)
DAX	16,538.39	(1.30)
CAC 40	7,411.86	(1.58)
Nikkei 225	33,464.17	(0.22)
HANGSENG	16,646.41	(0.72)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
3-Jan	19 00	US	ISM Manufacturing PMI	Dec	47.4%	47.1%	46.7%
3-Jan	23 00	US	FOMC Minutes	-	-	-	-
4-Jan	17 00	EU	Consumer Price Index	Dec	-	3.8%	3.2%

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

- > The yield on the US 2-year Treasury note slipped 1.2 basis points to end at 4.316 percent, from 4.328 percent, according to Dow Jones Market Data.
- > The 10-year US government-debt yield ended lower on Wednesday, after briefly topping the 4 percent mark, as minutes from the Federal Reserve's December meeting raised uncertainty about the path of monetary policy in 2024.
- > The yield on the 30-year US Treasury note dropped 2.9 basis points to 4.055 percent, from 4.084 percent.
- > Today, The Bank of Mauritius will receive bid for BoM Bills for three maturities, namely, 91- Day, 182-Day and 364-Day, for a nominal amount of Rs 3,000 million for same day settlement.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.25	3.10
2M	3.30	3.15
3M	3.35	3.20
4M	3.60	3.45
6M	3.90	3.75
8M	3.95	3.80
10M	4.00	3.85
1Y	4.05	3.90

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.40	4.20
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	5.40	5.15
20 Year	5.80	5.55

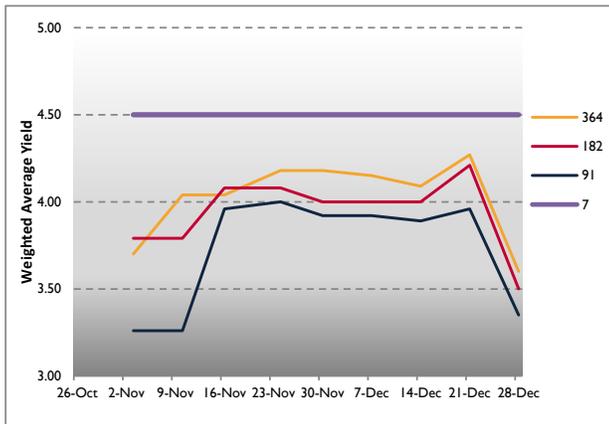
Key Central Bank Rates

	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	4.3077	#N/A
UK Bonds	4.069	3.548
German Bonds	2.389	1.916

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.463	5.589	5.581
EURIBOR	3.848	3.856	3.905	3.861
SONIA	-	5.199	5.203	5.131

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.723	2.340	2.357	2.445
USD OIS	4.075	3.505	3.448	3.445

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices increased this morning, extending the previous day's sharp gains on concerns about Middle Eastern supply following disruptions at a field in Libya and intensified tension around the Israel-Gaza war.
- > Data from the American Petroleum Institute indicated that US oil inventories dropped by 7.4 million barrels in the week to December 29, far more than expectations for a draw of about 3 million barrels.
- > Gold price recovered this morning during the early Asian session after being undermined by a stronger US Dollar and higher US Treasury bond yields during the previous day's session.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	79.79	(0.51)
Gold (\$)	2,047.60	(11.28)