

FOREIGN EXCHANGE MARKET

News

- > The US Dollar Index has climbed to 102.60 and then settled at 102.40 as financial markets continue to cope with the release of a hot US CPI report from December, which came in higher than expected.
- > The Euro fell back against the greenback in the US market session after US Consumer Price Index figures broadly came higher than market forecasts, taking a chunk out of the Euro's overall positive lean to the day.
- > GBP/USD trades strongly for the third consecutive day on Friday. Traders will monitor the monthly GDP growth numbers for November.
- > The AUD strengthened against the USD following Chinese inflation and trade data although gains were capped as US-Middle East geopolitical risks remain in play.
- > The Canadian Dollar dropped against the greenback as higher US inflation figures widened the gap between market hopes of a March rate cut and the Federal Reserve's current stance.
- > USD/JPY could not sustain the move to multi-week highs above 146.00 and retreated to the 145.60 region in late New York trade.
- > South African rand was steady on Thursday after US inflation came in above market expectations, sowing doubts over the prospects for a much anticipated interest rate cut by the Federal Reserve in March.
- > The USD/MUR opens unchanged this morning, trading at MUR 44.85/USD on the offer. On the other hand, EUR/MUR sheds 3 cents while GBPUSD gains 2 cents trading at 49.69 and 57.82 respectively.

Daily Technical View

EUR/USD: Everyone who was craving for volatility had their fair share last evening after the US CPI releases. Indeed, despite a beat in the figures, the greenback could not sustain its initial gain on the back of a strong reversal in the treasury yields. Details of the CPI report are expected to dampen the dovish stance of Fed's officials in the short term. A breach of 1.10 will target 1.1040 on the upside while a sell-off in the common currency is expected to be capped at the recent low of 1.0880.

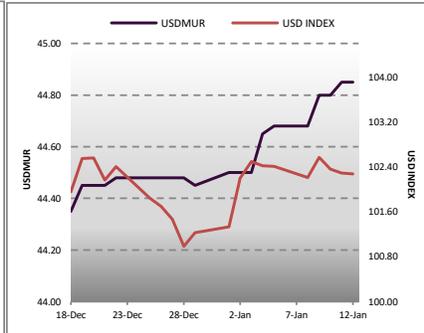
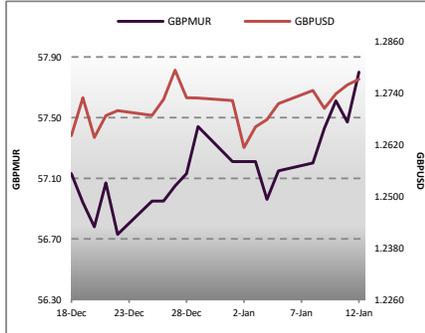
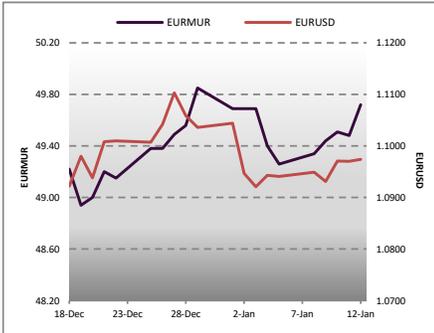
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.45	(0.10)	30.89	(0.11)
CNYMUR	6.12	-	6.43	-
EURMUR	48.24	(0.03)	49.69	(0.03)
JPYMUR	30.16	0.06	31.76	0.06
ZARMUR	2.35	-	2.50	-
USDMUR	43.95	-	44.85	-
GBPMUR	56.14	0.02	57.82	0.02

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.40	29.30	29.10	30.87	30.84	30.77
EURMUR	48.15	47.99	47.72	49.68	49.67	49.67
ZARMUR	2.33	2.30	2.24	2.50	2.49	2.49
USDMUR	43.84	43.60	43.21	44.79	44.67	44.52
GBPMUR	56.01	55.75	55.27	57.74	57.59	57.40



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6683	0.6714	0.6684	0.6704
EURUSD	1.0972	1.0985	1.0971	1.0980
GBPUSD	1.2756	1.2784	1.2752	1.2779
USDJPY	145.28	145.40	144.85	145.14
USDCHF	0.8518	0.8525	0.8510	0.8524
USDCNH	7.17	7.18	7.17	7.17

Major Indices

	Value at Close	Day Change %
DOW JONES	37,695.73	0.04
S&P 500	4,783.45	0.56
FTSE 100	7,576.59	(0.98)
DAX	16,547.03	(0.85)
CAC 40	7,387.62	(0.52)
Nikkei 225	35,049.86	1.75
HANGSENG	16,302.04	1.27

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
11-Jan	13 00	EU	Economic Bulletin	-	-	-	-
11-Jan	17 30	US	Consumer Price Index (YoY)	Dec	3.4%	3.2%	3.1%
12-Jan	17 30	US	Producer Price Index (YoY)	Dec	-	1.9%	2.0%

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 finished at their lowest levels in weeks as traders digested a higher than expected inflation data out of the US.
- > The yield on the 2-year Treasury was lower at 4.27 percent.
- > The yield on the 10-year Treasury dropped to 3.974 percent.
- > The yield on the 30-year Treasury retreated to 4.178 percent.
- > The Bank of Mauritius allocated a total amount of Rs 150 million 364 Day Government of Mauritius Treasury Bills at the weighted average rate of 3.65 percent.

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	3.55	3.40
6M	3.70	3.55
8M	3.75	3.60
10M	3.80	3.65
1Y	3.85	3.70

[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

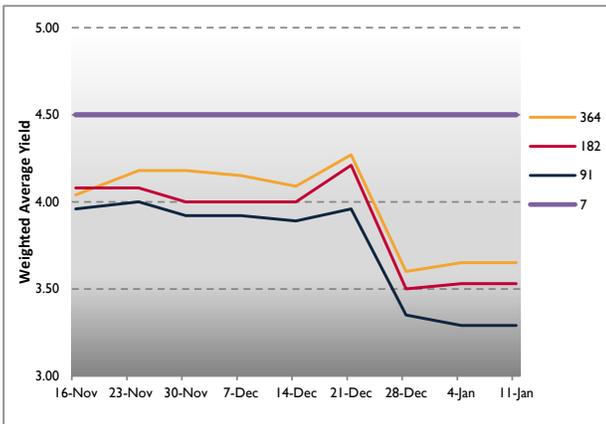
Key Central Bank Rates

	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	4.2722	#N/A
UK Bonds	4.249	3.759
German Bonds	2.561	2.128

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.449	5.588	5.613
EURIBOR	3.872	3.877	3.936	3.902
SONIA	-	5.196	5.202	5.145

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.916	2.552	2.557	2.629
USD OIS	4.040	3.590	3.534	3.551

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Oil prices gained as the United States and Britain launched strikes against Houthi military targets in Yemen in response to the movement's attacks on ships in the Red Sea.
- > Geopolitical risks and China's economic woes drove gold prices higher despite a slightly hot US CPI figure.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	82.79	2.22
Gold (\$)	2,036.73	13.33