

FOREIGN EXCHANGE MARKET

News

- > The EUR/USD remains capped under the 1.0800 level as inflation report broadly matched market expectations. Headline CPI climbed 0.1 percent month on month in November from 0 percent in October.
- > Market participants remain cautious ahead of the Federal Reserve and European Central Bank monetary policy decisions due on Wednesday and Thursday respectively.
- > The pound sterling trades sideways against the dollar ahead of a slew of economic data releases from both countries.
- > AUD/USD pair is on the defensive near 0.6550 early Wednesday. The pair is struggling for upside traction, as the pre-Fed decision caution trading sets in and fuels renewed US dollar demand. Australia's mid-year economic and fiscal outlook is lending some support to the Aussie.
- > The USD/CAD pair is currently trading around the 1.3600 handle as traders keenly await the outcome of the highly anticipated two day FOMC monetary policy meeting.
- > The Japanese Yen dropped after U.S consumer prices rose unexpectedly in November, while reports that the Bank of Japan (BoJ) policymakers see no requirement to halt negative rates in December, along with the widespread risk-on environment weights on the currency.
- > The South African rand edged up as local traders focus on domestic inflation that could provide clues on the health of the economy; damaged with collapsing rail and port infrastructure and regular blackouts.
- > The USD/MUR opens at 44.53 on the offer for the fourth consecutive day while the EUR/MUR edges higher to 48.48 on the offer, tracking the EUR/USD pair, which is trading close to the key level of 1.0800.

Daily Technical View

EUR/USD – The single currency capped its two-day winning streak below 1.0827 ahead of the monetary policy decisions. Bearish set-up suggests that the pair could visit 1.0690 support if psychological level at 1.0750 is broken. On the flipside, a resumption of the near-term bull trend would extend towards resistance at 1.0850.

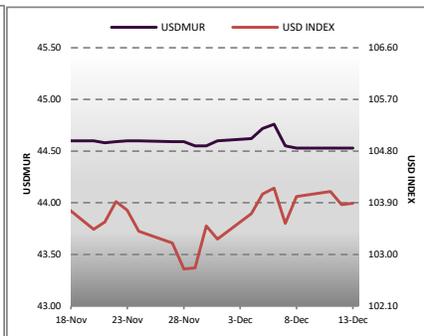
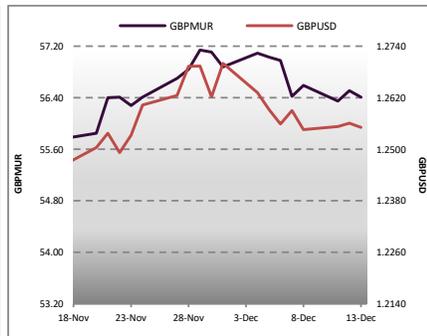
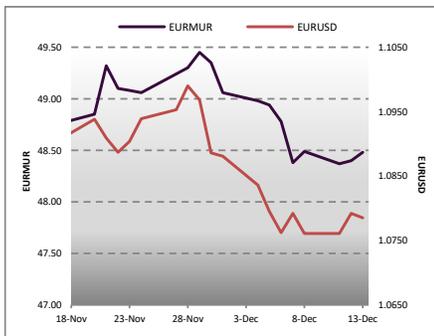
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.60	(0.15)	30.00	(0.16)
CNYMUR	6.05	(0.01)	6.36	(0.01)
EURMUR	47.07	0.08	48.48	0.08
JPYMUR	29.81	(0.01)	31.39	(0.01)
ZARMUR	2.29	0.01	2.44	0.0
USDMUR	43.63	-	44.53	-
GBPMUR	54.77	(0.09)	56.41	(0.10)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.56	28.45	28.23	29.99	29.96	29.89
EURMUR	46.99	46.82	46.55	48.47	48.45	48.45
ZARMUR	2.27	2.24	2.19	2.44	2.43	2.41
USDMUR	43.51	43.26	42.84	44.46	44.34	44.15
GBPMUR	54.64	54.36	53.89	56.33	56.18	55.96



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6557	0.6567	0.6549	0.6561
EURUSD	1.0791	1.0799	1.0785	1.0791
GBPUSD	1.2559	1.2572	1.2549	1.2557
USDJPY	145.44	145.70	145.19	145.60
USDCHF	0.8753	0.8758	0.8749	0.8758
USDCNH	7.19	7.20	7.19	7.20

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	36,404.93	0.48
S&P 500	9,849.74	0.46
FTSE 100	7,542.77	(0.03)
DAX	16,791.74	0.016
CAC 40	7,543.55	0.11
Nikkei 225	32,945.27	0.31
HANGSENG	16,374.50	(0.66)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
13-Dec	13:30	US	Producer Price Index	Nov	-	2.2%	2.4%
13-Dec	19:00	US	Fed Interest Rate Decision	-	-	5.5%	5.5%
13-Dec	19:30	US	FOMC Press Conference	-	-	-	-

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 lower on Tuesday after data showed underlying inflation in the world's largest economy came in line with forecasts, reinforcing views the Federal Reserve will hold rates steady after its two-day policy meeting this Wednesday.

> The Fed began its two-day meeting on Tuesday and market participants widely expect the US Central Bank to keep interest rates steady at a target range of 5.25 percent-5.50 percent.

> The benchmark 10-year yield dropped as low as 4.15 percent following the CPI report. It was last at 4.215 percent, down 2.3 basis points while US 30-year yields turned lower after a 30-year bond sale came out much better than last month's auction.

> Tomorrow, the Bank of Mauritius will issue 91-Day and 364-Day Government of Mauritius Treasury Bills, for nominal amounts of MUR 500 million and MUR 1 000 million respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.85	3.70
2M	3.90	3.75
3M	3.98	3.83
4M	4.01	3.86
6M	4.05	3.90
8M	4.10	3.95
10M	4.15	4.00
1Y	4.20	4.05

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.35	4.15
3 year	4.55	4.35
4 Year	4.60	4.40
5 Year	4.75	4.50
10 Year	5.00	4.75
15 year	5.15	4.90
20 Year	5.35	5.10

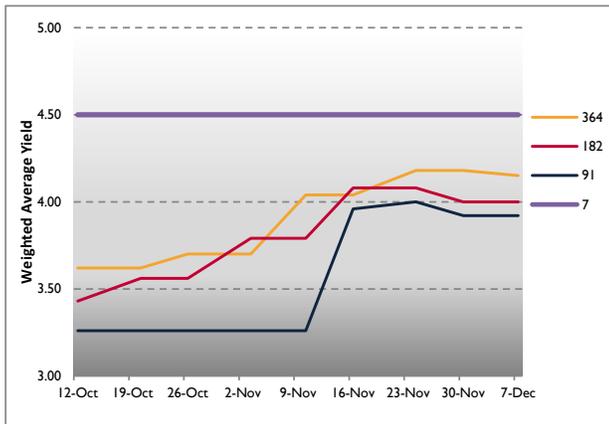
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	5.50	5.25
BoE Bank Rate	5.25	5.00
ECB Ref. Rate	4.50	4.25
RBA Cash Rate	4.35	4.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.7285	4.221
UK Bonds	4.514	4.043
German Bonds	2.721	2.213

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.474	5.641	5.758
EURIBOR	3.845	3.858	3.958	3.955
SONIA	-	5.199	5.225	5.223

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.077	2.649	2.634	2.687
USD OIS	4.469	3.885	3.788	3.767

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

> US crude oil dropped nearly 4 percent as inflation data fueled concern among traders that the Federal Reserve may not be ready to ease up on interest rates.

> The yellow metal price consolidates around USD 1,980, post minor gains experienced with the release of US inflation figures.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	76.72	(1.87)
Gold (\$)	1,977.50	(3.80)