

FOREIGN EXCHANGE MARKET

News

- > As widely expected the Federal Reserve kept interest rates steady at the target range of 5.25 to 5.50 percent for the third meeting in a row yesterday.
- > The dollar tumbled amid dovish comments from the Federal Reserve Chairman Jerome Powell signaling that US interest rate increases have come to an end and lower borrowing costs are on the way in 2024.
- > The Euro rebounds above 1.0900 against the dollar amid the dollar weakness. However the market is closely awaiting the ECB monetary policy decision due today.
- > The pound sterling trades at its one week high above 1.2600 against the dollar amid Fed dovish tone. Eyes are on the Bank of England interest rate decision for further clues.
- > AUD/USD is extending its upsurge above 0.6700, delivering its strongest performance in four months, despite mixed Australian jobs data. The pair continues to gain and amid an ongoing US dollar decline, following a dovish Fed pause.
- > Today, the USD/CAD pair extends its downside below the 1.3500 handle. The decline of the US Dollar following the Federal Reserve weighs on the pair.
- > The South African rand edged down following a drop in domestic inflation to 5.5 percent year-on-year in November from 5.9 percent in October.
- > The Japanese yen climbed due to expectations that the Bank of Japan may halt its negative rate policy at its monetary policy meeting on Dec. 18-19.
- > The USD/MUR loses 10 cents this morning, to trade at 44.43 on the offer while the EUR and GBP gain 42 cents and 29 cents respectively against the rupee.

Daily Technical View

EUR/USD – The single currency extended its gains from 1.0780 to 1.0915, on the back of dovish sentiment around the Federal Reserve Interest Rate decision. A correction of the impulse move could be anticipated towards 1.0850 ahead of ECB’s monetary policy decision. On the contrary, a resumption of current trend could continue its winning streak towards resistance at 1.060.

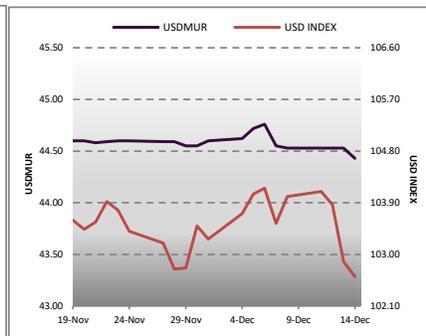
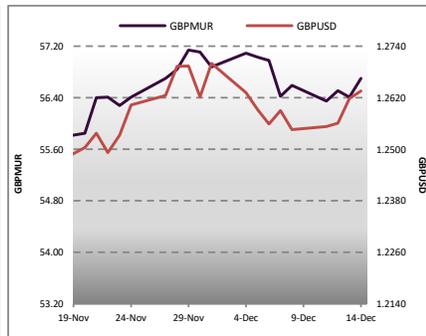
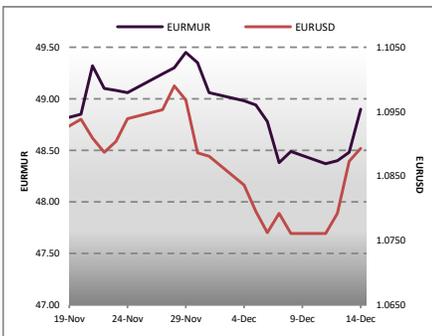
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.23	0.63	30.66	0.66
CNYMUR	6.09	0.04	6.40	0.04
EURMUR	47.48	0.41	48.90	0.42
JPYMUR	30.63	0.82	32.25	0.86
ZARMUR	2.33	0.04	2.48	0.0
USDMUR	43.53	(0.10)	44.43	(0.10)
GBPMUR	55.05	0.28	56.70	0.29

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.19	29.08	28.88	30.65	30.61	30.54
EURMUR	47.40	47.21	46.96	48.89	48.86	48.86
ZARMUR	2.31	2.28	2.22	2.48	2.47	2.46
USDMUR	43.41	43.17	42.75	44.36	44.24	44.05
GBPMUR	54.92	54.66	54.16	56.62	56.47	56.25



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6661	0.6728	0.6655	0.6727
EURUSD	1.0872	1.0915	1.0873	1.0903
GBPUSD	1.2616	1.2652	1.2617	1.2645
USDJPY	142.88	142.89	140.98	141.44
USDCHF	0.8716	0.8717	0.8666	0.8684
USDCNH	7.14	7.15	7.13	7.14

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	36,577.94	1.40
S&P 500	9,849.74	1.36
FTSE 100	7,548.44	0.08
DAX	16,766.05	0.150
CAC 40	7,531.22	0.16
Nikkei 225	32,648.25	0.84
HANGSENG	16,228.75	(0.66)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
13-Dec	19:30	US	FOMC Press Conference		5.5%	5.5%	5.5%
14-Dec	12:00	UK	BOE Interest Rate Decision	-	-	5.3%	5.3%
14-Dec	13:15	EU	ECB Monetary Policy Statement	-	-	-	-

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 plummeted on Wednesday after the Federal Reserve held interest rates steady, as expected, but flagged in its new economic projections that its tightening policy is ending and rate cuts loom next year.
- > The US benchmark 10-year yield fell to its lowest since August, and last traded 18 basis points lower at 4.02 percent. It posted its biggest one-day fall since November.
- > The US two-year yield, which reflects interest rate expectations, slid to the lowest since early June, last down 29.4 bps at 4.54 percent. It had its biggest one-day decline since mid-March.
- > US five-year yields sank as well to their lowest since mid-July, and were last down 24.6 bps at 3.977 percent, posting their biggest daily drop since March.
- > Today, the Bank of Mauritius will issue the 91-Day and 364-Day Government of Mauritius Treasury Bills, for nominal amounts of MUR 500 Mio and MUR 1,000 Mio respectively.
- > Today, the Bank will receive bids from banks for the 7-Day Bank of Mauritius Bills for a nominal amount of MUR 1,000 Mio at the fixed rate of 4.50 percent p.a.

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	4.40	4.20
3 year	4.75	4.55
4 Year	4.77	4.57
5 Year	4.80	4.55
10 Year	4.95	4.70
15 year	5.15	4.90
20 Year	5.35	5.10

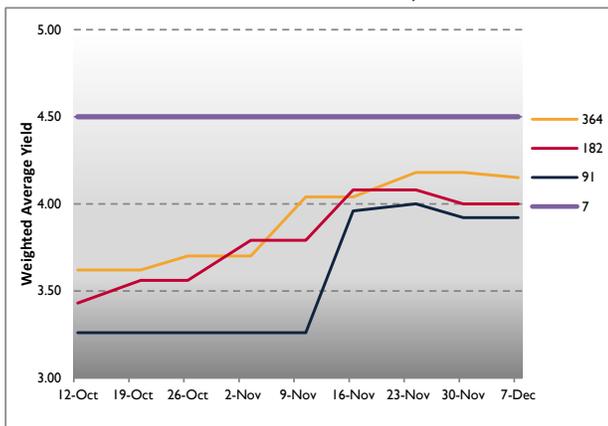
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	5.50	5.50
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	4.3569	3.901
UK Bonds	4.361	3.887
German Bonds	2.588	2.148

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.479	5.648	5.775
EURIBOR	3.858	3.862	3.928	3.960
SONIA	-	5.197	5.219	5.207

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	3.024	2.599	2.577	2.625
USD OIS	4.113	3.584	3.525	3.536

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > OPEC maintained its oil demand growth for this year unchanged from last month's assessment at 2.5 Mio barrels per day.
- > Oil Prices extended gains in the Asian session, based on a higher consumption level for US crude and fueled demand in the US after the Fed signaled lower borrowings costs in 2024. Brent Futures rose 23 cents to reach US 74.49, while WTI rose 11 cents to trade at USD 69.58 a barrel.
- > The yellow metal added 2.3 percent overnight on the back of dollar weakness, hitting a three-day high, near USD 2,040.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	76.75	(1.60)
Gold (\$)	2,037.50	58.06