

FOREIGN EXCHANGE MARKET

News

- > The markets are anticipating that the Fed's easing cycle will begin in March, followed by another rate cut in May, which may limit any upside for the US Dollar. Despite higher CPI numbers, the market remains stubborn and expects the Fed to initiate its easing cycle sooner rather than later.
- > The Euro was mostly steady against its peers yesterday but seeing steep declines against the US Dollar. European Central Bank officials continue to tow the company line, reiterating that it's too soon for the ECB to pivot into rate cuts.
- > With increased bets for an interest cut by the Bank of England early as April, the CPI data from UK will be closely scrutinized for gauging the timing of the BoE policy pivot and its impact on the Pound Sterling.
- > The CAD strengthened following geopolitical condition in the Middle East which encouraged investors to adopt a cautious stance.
- > The AUD weakened as Australia's Consumer Confidence data for January indicated a contraction, hinting towards no further policy tightening from the RBA in its upcoming board meeting in February, while a decline in commodity prices also weighed on the currency.
- > With no major local economic data releases to drive direction and safe-haven demand amid escalating Red Sea disruptions, the South Africa's rand weakened versus the US dollar.
- > The Japanese yen hit a more than a one month low of 147.49 versus the stronger US dollar on shifting market expectations for Fed rates while data released in Japan showed steady wholesale price index in December.
- > The USD/MUR maintains the upward trend, opening at MUR 45.05/USD on the offer. With the single currency trading below the 1.0900 handle, the EUR/MUR is being offered at MUR 49.42/EUR.

Daily Technical View

The EURUSD continues to extend its losses, trading near 1.0870 as US dollar continues to gain across the board, mainly attributed to market caution on the geopolitical situation and upbeat US bond yields. Support in the near term lies at 1.0850, a break of which can open doors towards 1.0800. On the upside, 1.0925 remains key level to watch.

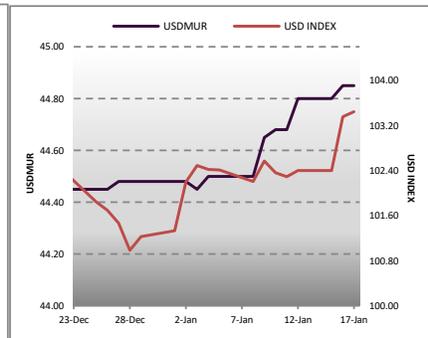
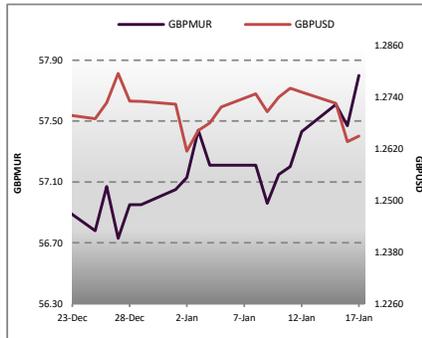
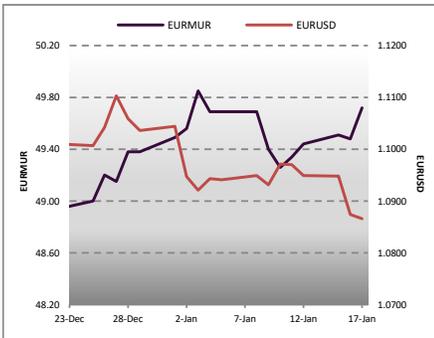
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.00	(0.43)	30.42	(0.45)
CNYMUR	6.11	(0.01)	6.42	(0.01)
EURMUR	47.98	(0.21)	49.42	(0.22)
JPYMUR	29.82	(0.31)	31.40	(0.33)
ZARMUR	2.31	(0.04)	2.46	(0.0)
USDMUR	44.15	0.20	45.05	0.20
GBPMUR	55.71	(0.37)	57.38	(0.38)

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.96	28.85	28.65	30.41	30.37	30.31
EURMUR	47.90	47.73	47.48	49.41	49.39	49.38
ZARMUR	2.29	2.26	2.21	2.46	2.45	2.44
USDMUR	44.04	43.80	43.41	44.99	44.87	44.72
GBPMUR	55.58	55.32	54.86	57.30	57.15	56.95



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6583	0.6594	0.6539	0.6539
EURUSD	1.0872	1.0884	1.0856	1.0868
GBPUSD	1.2631	1.2675	1.2597	1.2651
USDJPY	147.18	147.95	147.09	147.92
USDCHF	0.8610	0.8632	0.8608	0.8631
USDCNH	7.22	7.23	7.21	7.23

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	37,592.98	(0.62)
S&P 500	4,765.98	(0.37)
FTSE 100	7,467.01	(1.21)
DAX	16,571.68	(0.30)
CAC 40	7,398.00	(0.18)
Nikkei 225	35,665.08	0.13
HANGSENG	15,865.92	(3.08)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
16-Jan	11 00	EU	CPI (MoM)	Dec	0.1%	0.1%	0.1%
17-Jan	11 00	UK	CPI (YoY)	Dec	-	3.8%	3.9%
17-Jan	19 15	EU	ECB's President Lagarde Speech	-	-	-	-

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 rose on Tuesday to kick off a shortened trading week after Fed commentary indicated the central bank make lower rates at a slower rate than the market had anticipated.
- > The yield on the 10-year Treasury note gained nearly 12 basis points to 4.066 percent.
- > The 2-year Treasury yield rose by around 10 basis points to trade at 4.228 percent.
- > The 30-year Treasury yield rose to 4.303 percent.
- > This week, the Bank of Mauritius will put on auctions:
18th January : 182D GOM T-Bills for a nominal of 500 mln
19th January : 7D BOM Bills for a nominal of 1bln at a fixed rate of 4.50 percent
19th January : 2YR BOM Notes for a nominal of 3bln

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 Mauritius 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

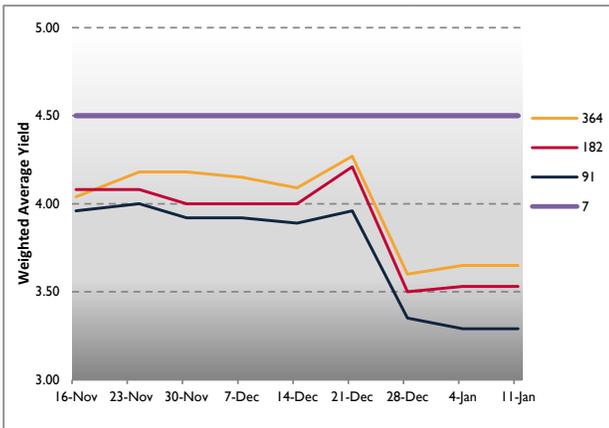
Key Central Bank Rates

	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	4.2784	#N/A
UK Bonds	4.286	3.798
German Bonds	2.657	2.204

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.446	5.560	5.517
EURIBOR	3.880	3.868	3.928	3.874
SONIA	-	5.194	5.193	5.103

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.912	2.573	2.582	2.656
USD OIS	4.068	3.640	3.604	3.624

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Rising concerns about future oil demand in China, the world's second-largest crude user, following disappointing Chinese economic data, weighed on oil prices. A stronger dollar and uncertainty over US interest rates added additional pressure on oil prices.
- > A bullish USD and higher US bond yields undermined gold prices although geopolitical risks and China's economic woes capped losses for the safe-haven metal.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	82.76	0.28
Gold (\$)	2,021.50	(32.99)

