

FOREIGN EXCHANGE MARKET

News

- > The US Dollar Index is holding steady at around the range of 102.20 continuing its downward trend. The fall is still being influenced by low yields and dovish comments from the Federal Reserve.
- > The EUR/USD pair remains capped under the 1.1000 range during the early Asian trading hours on Wednesday. EUR/USD currently trades near 1.0973, losing 0.04 percent on the day.
- > GBP/USD trades lower near 1.2720 during the Asian session on Wednesday ahead of the UK CPI data due later today to determine the next move for the Pound.
- > The AUD/USD trades below its five month high at 0.6774 on Wednesday on subdued US dollar and improved risk appetite. The pair received upward support from the hawkish stance revealed by the meeting minutes from the RBA yesterday.
- > The JPY dropped after the Central Bank's chief Kazuo Ueda provided no clues on a looming end to negative interest rates.
- > The USD/CAD pair bounced from its lowest level since August 4, around the 1.3330 area touched earlier today and recovers a part of the previous day's Canadian CPI inspired losses.
- > The ZAR climbed as global market sentiment was lifted by expectations of interest rate cuts in 2024 and a local leading business cycle indicator which indicated a slim growth from the previous month although it was still down over 3% year-on-year.
- > The EURMUR gains 20 cents today while the USDMUR remains steady at 44.45 on the offer as the EURUSD trades higher on the international market.
- > Yesterday, the Bank of Mauritius intervened on the domestic foreign exchange market and purchased a total amount of USD 5.9 million. The central bank accepted all bids received, with details as follows: FX Spot for a total amount of USD 400K at the weighted rate of 44.60 and USD 5.5 million for FX Forward, at the weighted rate of 45.30 for maturity date 28 December 2023.

Daily Technical View

EURUSD trades with mild losses and remained capped under the 1.1000 psychological mark though more upside move looks favorable amid dollar weakness. Data from Eurostat showed that Eurozone inflation missed market expectations in November due to fall in energy prices. The ECB stated that they did not discuss rate cuts at all while warning that inflation could spike again in December due to colder weather. Support to the downside remains around 1.0900 while a breach of 1.1000 could open doors towards 1.1040.

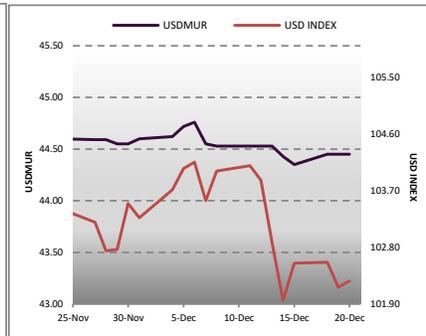
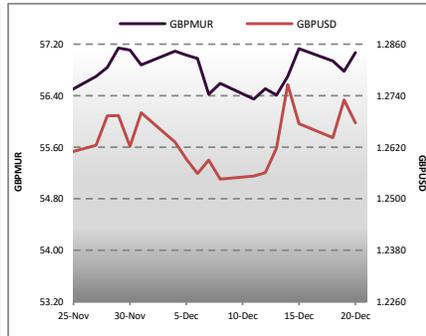
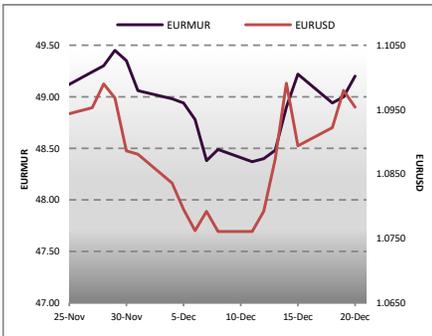
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.49	0.22	30.94	0.24
CNYMUR	6.09	0.01	6.40	0.01
EURMUR	47.77	0.20	49.20	0.20
JPYMUR	30.17	(0.02)	31.77	(0.02)
ZARMUR	2.37	0.04	2.52	0.0
USDMUR	43.55	-	44.45	-
GBPMUR	55.41	0.28	57.07	0.29

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.44	29.34	29.13	30.92	30.89	30.85
EURMUR	47.69	47.53	47.27	49.19	49.16	49.16
ZARMUR	2.35	2.32	2.26	2.52	2.51	2.50
USDMUR	43.44	43.21	42.81	44.39	44.27	44.09
GBPMUR	55.28	55.00	54.54	56.99	56.84	56.62



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6763	0.6776	0.6749	0.6768
EURUSD	1.0980	1.0984	1.0952	1.0958
GBPUSD	1.2730	1.2734	1.2659	1.2663
USDJPY	143.82	144.09	143.38	143.53
USDCHF	0.8609	0.8616	0.8602	0.8612
USDCNH	7.12	7.14	7.12	7.14

Major Indices

	Value at Close	Day Change %
DOW JONES	37,306.02	0.68
S&P 500	9,849.74	0.59
FTSE 100	7,638.03	0.31
DAX	16,744.41	0.56
CAC 40	7,574.67	0.077
Nikkei 225	33,747.19	1.59
HANGSENG	16,505.00	0.94

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
20-Dec	7:00	UK	Core Consumer Price Index	Nov		0.20%	0.0%
20-Dec	7:00	UK	Retail Price Index	Nov		0.30%	-0.2%
21-Dec	13:30	US	Gross Domestic Product Annualized	Q3	-	5.2%	5.2%

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

> Treasury yields closed lower yesterday, with the benchmark 10-year rate returning to an almost five-month low, after the Bank of Japan kept its negative interest-rate policy and gave little indication of a potential shift in its ultra-loose stance soon.

> The yield on the 2-year US Treasury note gave away 1.8 basis points to trade at 4.437 percent, while the 10-year yield retreated to 3.921 percent. The yield on the 30-year Treasury bond dropped 3.3 basis points to 4.035 percent.

> In US economic data released on Tuesday, construction of new homes rose 14.8 percent last month to the highest level since May, while Building permits, a sign of future construction, dropped 2.5 percent to a 1.46 million rate in November.

> Tomorrow, the Bank of Mauritius will issue the 182-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 500 million and the 91-Day and 364-Day Bank of Mauritius Bills for a nominal amount of MUR 3,000 million.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.70	3.55
2M	3.80	3.65
3M	3.90	3.75
4M	3.95	3.80
6M	4.00	3.85
8M	4.05	3.90
10M	4.10	3.95
1Y	4.15	4.00

[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	5.15	4.90
20 Year	5.35	5.10

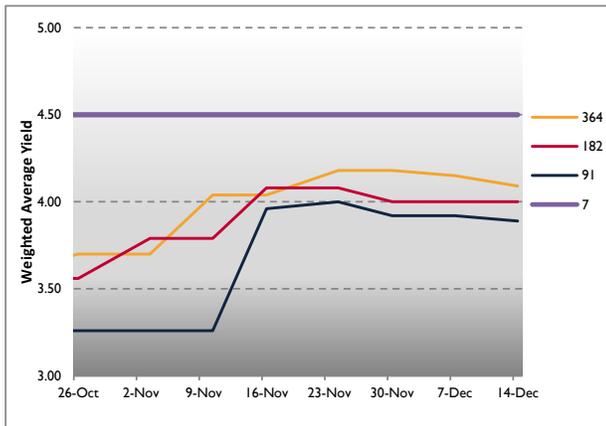
Key Central Bank Rates

	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	4.50
RBA Cash Rate	4.35	4.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.3987	#N/A
UK Bonds	4.29	3.681
German Bonds	2.48	1.966

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.472	5.632	5.680
EURIBOR	3.835	3.859	3.938	3.904
SONIA	-	5.199	5.225	5.185

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.864	2.439	2.425	2.479
USD OIS	4.141	3.552	3.475	3.453

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

> The yellow metal still held above the USD 2,000 an ounce following less dovish signals on US monetary policy. Spot gold is currently at USD 2,024.67 an ounce and fell 0.1 percent.

> Oil prices edged higher today after rising more than 1 percent in the previous session following uncertainties over global trade disruption and geopolitical tensions in the Middle East. The US West Texas Intermediate crude was at USD 74.11 a barrel.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	82.43	2.99
Gold (\$)	2,042.20	15.20