

## FOREIGN EXCHANGE MARKET

### News

- > The Dollar Index begins a modest recovery from the recent four-month lows. The Index edged higher during early session and traded around the range of 102.55.
- > The EUR/USD pair bounces back from the intraday low at 1.0929 incurred in previous sessions and is trading higher around the significant level of 1.0950.
- > The GBP/USD pair trades around the mid-1.2600s during the early Asian trading hours on Thursday after the UK released its inflation data for the month of November where inflation dropped to 3.9% from 4.6% in October.
- > The Australian dollar dropped to USD 0.6735 as the US dollar climbed and equities sold off.
- > The Canadian dollar traded nearly unchanged versus the greenback on optimism about the domestic housing market following decline in long term borrowing costs.
- > The JPY strengthened following sudden overnight sell-off in the US equity markets and due to an upward revision of economic growth estimates by the Japanese government.
- > The ZAR edged up; being driven by global market factors in the absence of domestic economic data releases.
- > After trading steady for 3 consecutive days, the US dollar gains 3 cents against the rupee this morning.

### Daily Technical View

EURUSD pair attracts some dip buying this morning to trade around 1.0950. The market is convinced that the Federal reserve will start cutting rates early next year. Furthermore, the currency pair is drawing support from reduced bets for early interest rate cuts by the European Central Bank as ECB policymaker Bostjan Vasle noted that the central bank will need at least until spring before it can reassess its policy outlook. Support lies at 1.0900 followed by 1.0850 while to the upside a breach above 1.1000 could bring the market towards 1.1040.

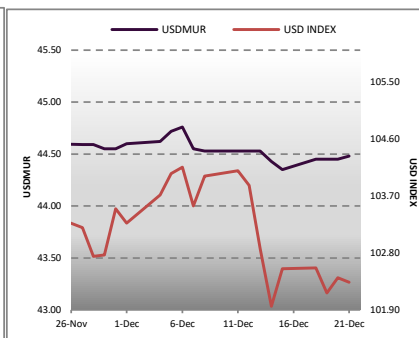
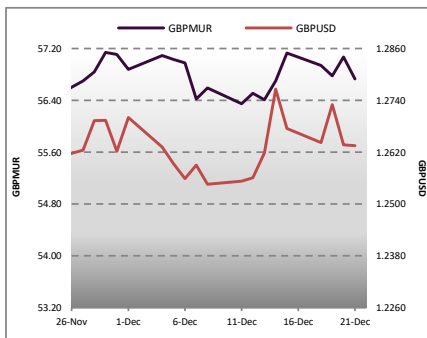
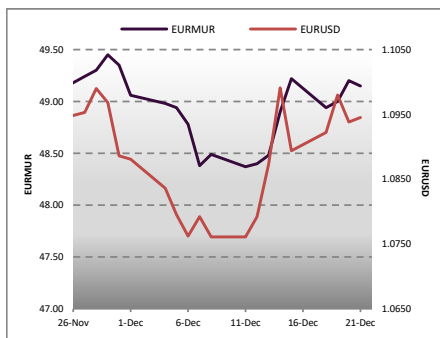
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.41	(0.08)	30.85	(0.09)
CNYMUR	6.09	-	6.40	-
EURMUR	47.72	(0.05)	49.15	(0.05)
JPYMUR	30.33	0.16	31.94	0.17
ZARMUR	2.37	-	2.52	-
USDMUR	43.58	0.03	44.48	0.03
GBPMUR	55.08	(0.33)	56.73	(0.34)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.36	29.26	29.06	30.83	30.80	30.73
EURMUR	47.64	47.47	47.20	49.14	49.12	49.13
ZARMUR	2.35	2.32	2.26	2.52	2.51	2.50
USDMUR	43.47	43.23	42.83	44.42	44.30	44.14
GBPMUR	54.95	54.68	54.23	56.65	56.51	56.32



#### Previous Day Trading Levels

	Opening	High	Low	Today Latest
AUDUSD	0.6730	0.6753	0.6727	0.6748
EURUSD	1.0939	1.0955	1.0938	1.0948
GBPUSD	1.2638	1.2651	1.2630	1.2637
USDJPY	143.55	143.56	142.82	143.05
USDCHF	0.8626	0.8631	0.8612	0.8621
USDCNH	7.15	7.15	7.14	7.15

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	37,557.92	(1.27)
S&P 500	9,849.74	(1.45)
FTSE 100	7,715.68	1.02
DAX	16,733.05	(0.07)
CAC 40	7,583.43	0.120
Nikkei 225	33,121.30	(1.65)
HANGSENG	16,613.81	(0.06)

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
21-Dec	13:30	US	Gross Domestic Product Annualized	Q3		5.2%	5.2%
21-Dec	13:30	US	Initial Jobless claims	Dec 15		215K	202K
21-Dec	23:50	JP	BoJ Monetary Policy Meeting Minutes		-		

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

- > Government-bond yields in the US and the UK traded lower yesterday, after the latest inflation report from Britain fueled hopes for continued easing in price pressures and interest-rate cuts by central banks.
- > Data released on Wednesday showed that annual inflation in the UK eased to 3.9 percent in November, its slowest pace in more than two years, reinforcing investors' hopes that price pressures can continue to wane in developed economies and that central banks could cut borrowing costs next year.
- > The yield on the 2-year US Treasury note gave away 7 basis points trading at 4.367 percent, while the benchmark 10-year yield retreated to 3.876 percent. The long-bond yield eased to 4.004 percent.

- > Yesterday, the Bank of Mauritius held an auction for the 5.55 percent Twenty-Year Government of Mauritius Bonds and the results are as follows: out of 20 bids received for a total amount of MUR 5,990, 6 bids were successful for total amount of MUR 2,300 Mio at the weighted average yield of 5.69 percent.
- > Today, 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

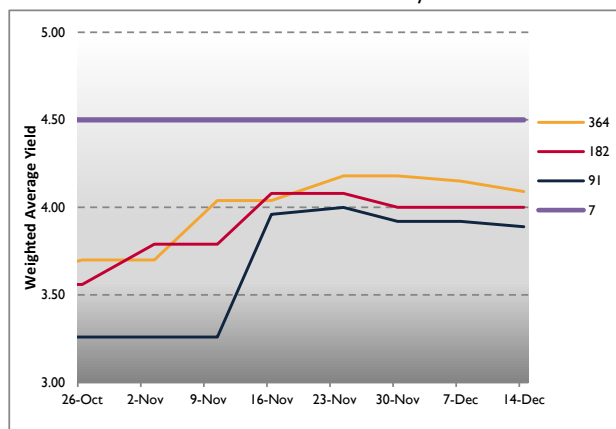
[Click here to access our Mauritian Bond Market page](#)

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	5.40	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

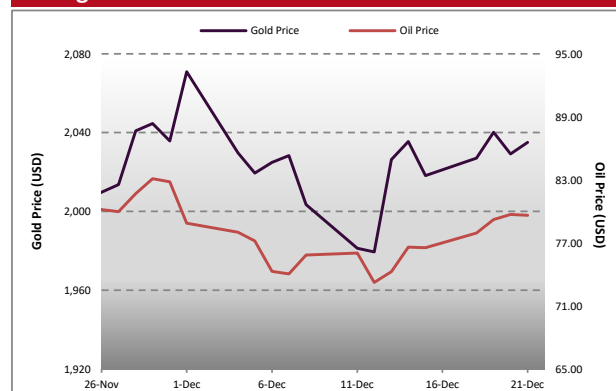
Government Benchmark Yields (%)		
	2 Year	5 Year
US Bonds	4.3747	#N/A
UK Bonds	4.086	3.522
German Bonds	2.449	1.931

Auction Results of Treasury Bills



## COMMODITIES

### Rolling Gold & Oil Prices



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### Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.472	5.636	5.682
EURIBOR	3.865	3.853	3.923	3.922
SONIA	-	5.199	5.214	5.150

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

### Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.816	2.381	2.369	2.424
USD OIS	4.106	3.534	3.445	3.418

\*Pay fixed and receive floating swap

### News

- > West Texas Intermediate price hovers around USD 74.00 per barrel during the Asian session this morning, following losses in the previous session. Crude oil prices face downward pressure due to concerns about low demand, sparked by a surprise increase in US Crude inventory.
- > Gold price posted modest losses on Wednesday and snapped a two-day winning streak to the weekly top, around the USD 2,047 region touched the previous day. The downfall was triggered by a modest pickup in the US dollar demand, though the overnight abrupt sell-off in the US equity markets helped limit the downside for the safe-haven metal.

Spot Market		
	Today	Change (\$)
Brent Crude Oil (\$)	83.73	2.24
Gold (\$)	2,035.57	(4.55)