

FOREIGN EXCHANGE MARKET

News

- > The US dollar remained near five-month lows as soft US inflation data encouraged bets on interest rate cuts from the Federal Reserve in 2024.
- > EUR/USD declined towards the range of 1.1000 after rising to multi-months high above 1.1040. Markets are now expected to be quiet and heading into the Christmas break.
- > The GBP/USD pair stabilized around the range of 1.2700 as investors have ramped up bets that the Fed will cut interest rates severely next year after consumer price index inflation slowed to 3.1% in November.
- > The Bank of Japan reduced bond purchases on Monday's scheduled operation as expectations linger that the Central Bank is prepared to end the negative interest rate policy in 2024.
- > The USD/CAD pared back above 1.3260 after plunging to a fresh 19 week low on Friday as markets continue to price in an accelerated pace of rate cuts from the Federal Reserve in 2024.
- > On Friday, the AUD/USD pair rose to 0.6824, reaching its highest intraday level since July, driven by broad based US dollar weakness.
- > The ZAR remains on the back-foot as like most emerging market currencies, tending to take signals from global factors such as the direction of US monetary policy.
- > While the USD/MUR stagnates at MUR 44.48/USD on the offer, the EUR/MUR opens 11 cents higher, to be offered at MUR 49.49 this morning.

Daily Technical View

EURUSD keeps its bullish momentum to trade around 1.1040 as investors expect Federal Reserve to accelerate its rate cuts in 2024. Despite the US Dollar's moderate pullback late on Friday, the greenback remains firmly down on the week. Intermediate support for EURUSD lies at 1.1000 while resistance to the upside remains at 1.1045 followed by 1.1080.

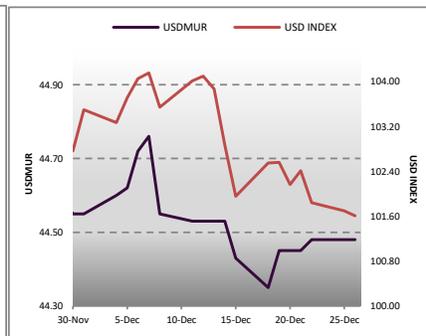
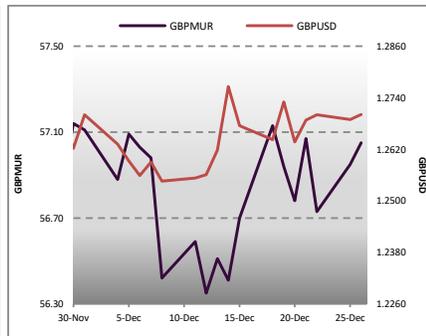
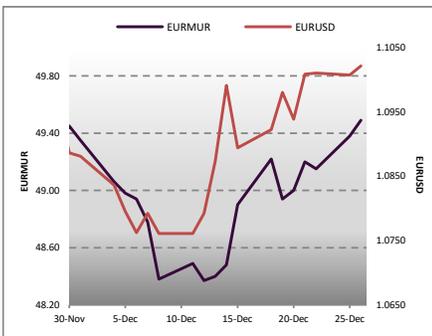
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.70	0.15	31.16	0.16
CNYMUR	6.09	0.01	6.40	0.01
EURMUR	48.05	0.11	49.49	0.11
JPYMUR	30.49	0.06	32.11	0.07
ZARMUR	2.35	(0.01)	2.50	(0.0)
USDMUR	43.58	-	44.48	-
GBPMUR	55.39	0.10	57.05	0.10

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.65	29.54	29.33	31.15	31.12	31.06
EURMUR	47.97	47.77	47.49	49.48	49.45	49.45
ZARMUR	2.33	2.30	2.24	2.50	2.49	2.48
USDMUR	43.47	43.22	42.81	44.42	44.29	44.10
GBPMUR	55.25	54.98	54.49	56.97	56.82	56.60



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6810	0.6816	0.6794	0.6816
EURUSD	1.1008	1.1028	1.1011	1.1025
GBPUSD	1.2691	1.2713	1.2689	1.2708
USDJPY	142.30	142.36	142.10	142.28
USDCHF	0.8547	0.8569	0.8543	0.8551
USDCNH	7.15	7.15	7.14	7.15

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	37,404.35	(0.05)
S&P 500	4,754.63	(0.17)
FTSE 100	7,697.51	0.04
DAX	16,687.42	(0.11)
CAC 40	7,571.40	0.03
Nikkei 225	33,254.03	0.17
HANGSENG	16,621.13	-

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
26-Dec	18 00	US	Housing Price Index (MoM)	Oct	-	0.50%	0.60%
28-Dec	03 50	JPY	Retail Trade (YoY)	Nov	-	5.0%	4.2%

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

> US Treasury yields ended mixed during Friday's preholiday shortened session after data showed inflation continuing to slow in November and moving toward the Federal Reserve's target.

> Yields initially ticked higher after the government announced that the personal-consumption expenditures, or PCE, index dipped 0.1 percent last month. Year-over-year inflation slowed to 2.6 percent from 2.9 percent in October, the lowest since February 2021. Yields subsequently pulled back but then drifted back to the upside over the course of the session.

> In other data, consumer sentiment ended the year on a high note, based on an index from the University of Michigan. Orders for durable goods rebounded 5.4 percent in November, the largest gain since July 2020.

> The yield on the 2-year US Treasury note dropped 1.1 basis points to 4.338 percent, while the benchmark 10-year yield firmed at 3.907 percent. The long-bond yielded 4.059 percent.

> On Friday, the Bank of Mauritius received applications for the 7-Day Bank of Mauritius Treasury Bills for a total amount of MUR 9,765 Mio but allotted only MUR 1,000 Mio at the weighted average rate of 4.50 percent.

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

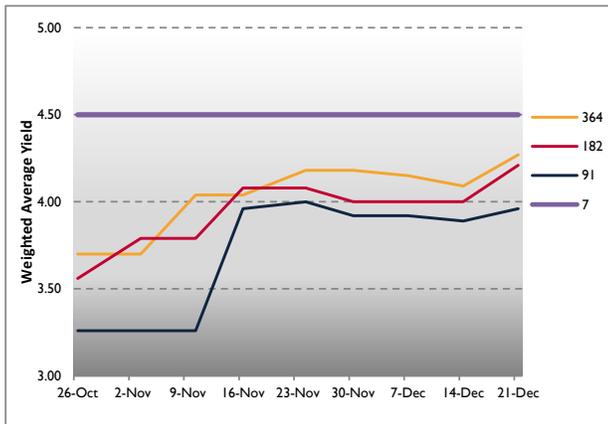
Key Central Bank Rates

	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	4.3392	#N/A
UK Bonds	4.028	3.455
German Bonds	2.435	1.912

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.470	5.613	5.616
EURIBOR	3.872	3.865	3.931	3.895
SONIA	-	5.199	5.213	5.144

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.761	2.349	2.357	2.434
USD OIS	4.034	3.507	3.438	3.426

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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

News

> Oil prices steadied after posting the largest weekly climb in more than two months amid tensions in the Middle East after Houthi attacks on ships disrupted global shipping and trade.

> Gold prices rose to two week highs, reacting positively to a cooling US economy and the monetary implications.

	Spot Market	
	Today	Change (\$)
Brent Crude Oil (\$)	82.84	(0.88)
Gold (\$)	2,063.27	17.78