

## FOREIGN EXCHANGE MARKET

### News

- > On Friday, the greenback traded at a loss following the release of December's PCE data. Investors will focus on the Federal Open Market Committee meeting on Wednesday.
- > The EUR/USD pair trades weaker during the Asian trading hours on Monday. The downtick of the major pair is supported by renewed US Dollar demand amid rising geopolitical tension in the Middle East.
- > GBP/USD struggles for a firm near-term direction and oscillates in a familiar trading range. Reduced bets for an early BoE rate cut underpin the GBP and lend some support to the pair.
- > The AUD peaked despite a stronger US Dollar amid amplified geopolitical tensions, while Australia's money market holds steady due to buoyant crude oil prices, and following recent news indicating additional stimulus measures by the People's Bank of China.
- > The CAD crawled back losses arising from hitches following the Bank of Canada's choice to hold its benchmark interest rate at 5 percent on Wednesday, marking the fourth consecutive instance of the Central Bank keeping rates at the same level.
- > Ahead of risk events this week, the Japanese yen firmed to 148.02 against the US dollar but is down nearly 5 percent in January and on course for its weakest monthly performance since June 2022.
- > The South Africa's rand pushed higher to 18.77 against the greenback on market expectation that the Federal Reserve would cut interest rates as early as March.
- > On the local market this morning, the USDMUR pair opens at 45.55 on the offer side, while the EURMUR gains 1 cent to trade at 48.88 on the offer side as well.

### Daily Technical View

EUR/USD – The single currency recovered from multi-week low at 1.0813 to 200-H Simple Moving Average at 1.0880 on Friday. Risk-off mood continues to weigh on the pair as EUR/USD hits 1.0840 on Monday morning. A violation of tough support area surrounding 1.0810/25 would accelerate downfall towards 1.0735. On the flipside, re-test of resistance around 1.0910/30 would signify further appreciation of the pair.

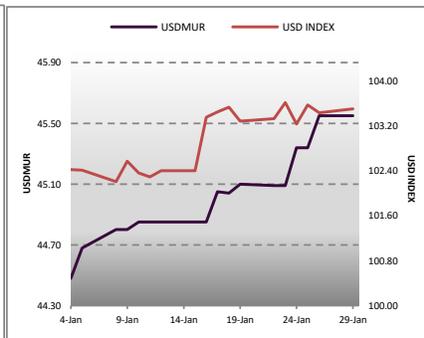
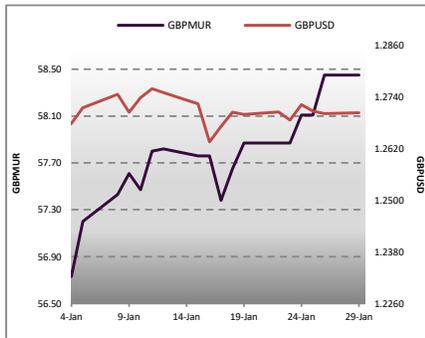
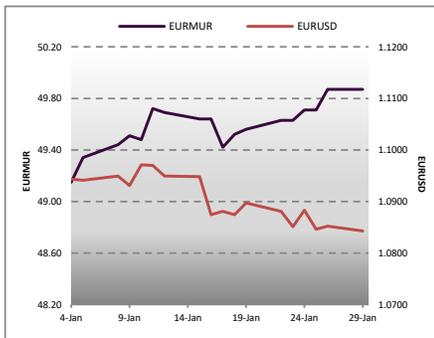
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	29.43	(0.01)	30.87	(0.01)
CNYMUR	6.20	(0.01)	6.52	(0.01)
EURMUR	48.43	0.01	49.88	0.01
JPYMUR	29.99	(0.10)	31.58	(0.10)
ZARMUR	2.37	0.01	2.52	0.0
USDMUR	44.65	-	45.55	-
GBPMUR	56.72	(0.03)	58.42	(0.03)

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	29.38	29.28	29.08	30.86	30.83	30.76
EURMUR	48.35	48.17	47.91	49.87	49.85	49.87
ZARMUR	2.35	2.32	2.26	2.52	2.51	2.50
USDMUR	44.54	44.29	43.90	45.49	45.37	45.22
GBPMUR	56.59	56.31	55.86	58.34	58.19	57.99



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6570	0.6595	0.6571	0.6594
EURUSD	1.0847	1.0849	1.0840	1.0845
GBPUSD	1.2693	1.2708	1.2691	1.2708
USDJPY	148.11	148.33	147.90	147.94
USDCHF	0.8646	0.8655	0.8631	0.8637
USDCNH	7.19	7.20	7.19	7.19

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	38,049.13	0.16
S&P 500	4,890.97	(0.07)
FTSE 100	7,635.09	1.40
DAX	16,961.39	0.32
CAC 40	7,634.14	2.44
Nikkei 225	35,751.07	(1.33)
HANGSENG	15,952.23	0.96

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
26-Jan	17 30	US	Core Personal Consumption Expenditures	Dec	2.9%	3.0%	3.2%
26-Jan	19 00	US	Pending Home Sales	Dec	1.3%	1.5%	0.0%
30-Jan	14 00	EU	Gross Domestic Product	Q4	-	-0.1%	-0.1%

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

- > The 10-year US Treasury yield moved sideways on Friday as investors assessed yet another encouraging inflation reading, suggesting the Federal Reserve can start cutting rates later this year. The yield on the benchmark 10-year Treasury note was at 4.141 percent.
- > The 2-year Treasury note yield was higher at 4.357 percent.
- > Last Friday, the Bank of Mauritius auctioned MUR 1 billion of the 7-day BoM Bill at a fixed rate of 4.50 percent p.a., the bid to cover ratio dropped to 9.60 from 9.89 previously.

- > There has been no additional issuance for BOM papers last week, the excess liquidity on the market hovers around MUR 23 billion.
- > The Advance Notice for GMTBs has been published for the month of February 2024, auction size will range between MUR 750 million and MUR 1 billion.

### 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	3.60	3.45
8M	3.70	3.55
10M	3.75	3.60
1Y	3.80	3.65

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

#### Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.30	4.10
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	5.35	5.10
20 Year	5.80	5.55

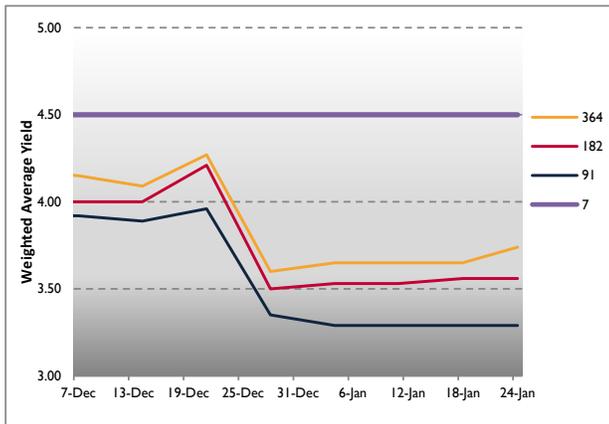
#### Key Central Bank Rates

	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	4.3407	#N/A
UK Bonds	4.349	3.905
German Bonds	2.631	2.199

#### Auction Results of Treasury Bills



#### Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.451	5.579	5.586
EURIBOR	3.895	3.871	3.887	3.873
SONIA	-	5.195	5.207	5.160

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

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

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.879	2.557	2.575	2.656
USD OIS	4.139	3.723	3.684	3.705

\*Pay fixed and receive floating swap

## COMMODITIES

### Rolling Gold & Oil Prices



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### News

- > Rising tensions in the Middle East, which accounts for around a third of the world's crude output, pushed oil prices higher this morning.
- > Escalating geological tensions in the Middle East and sliding US bond yields underpinned gold prices although a strong dollar is capping gains in the precious metal.

#### Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	85.95	1.20
Gold (\$)	2,027.84	8.09