

FOREIGN EXCHANGE MARKET

News

- > The dollar dipped yesterday evening as the market remains cautious before key US labor data due today.
- > Speculations that the European Central Bank will start cutting rates before the Federal Reserve weighed on the euro.
- > The pound sterling trades in the range of 1.2580 to 1.2600 against the dollar with traders on the sidelines ahead of US NonFarm Payrolls data.
- > The AUD/USD pair ticks higher during the Asian session on Friday. Spot prices, however, manage to hold comfortably above a two-week low touched on Thursday and hold steady just above the 0.6600 mark as traders keenly await the release of the US NFP report for a fresh impetus.
- > The Canadian Dollar continues to pare back recent gains, shedding weight or flattening against all of its major currency peers.
- > The Japanese yen strengthened after Bank of Japan Governor Kazuo Ueda reinforced expectations that the BoJ will gradually unwind its ultra-dovish, stimulus-heavy policies in 2024.
- > The South African rand edged up, following a weaker dollar and broad-based commodity gains which supported the Emerging Market currency.
- > The USD/MUR sheds 2 cents this morning, to open at MUR 44.53/USD on the offer. With the single currency trading below the 1.0800 handle, the EUR/MUR is being offered at MUR 48.49/EUR.

Daily Technical View

EURUSD – The common currency recouped some of its losses last evening, after a six-day downtrend as the dollar was subjected to a significant sell off across the board. Market expectations of a potential shift in ECB's rate policy and some profit taking were the root causes of last evening's erratic price action following the release of the initial jobless claims. On the charts, the 200 DMA will provide some temporary resistance at 1.0822 followed by 1.0850. On the other hand, 1.0730 and 1.0675 are key support levels ahead of the NFP release this evening.

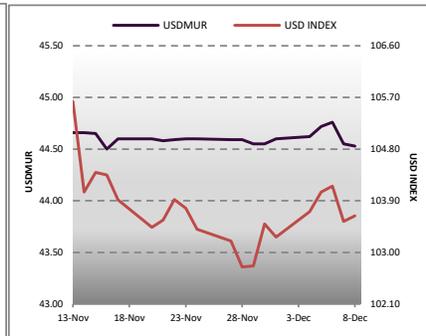
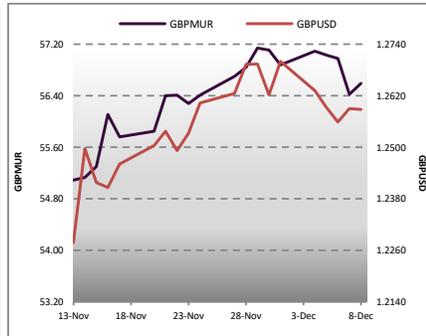
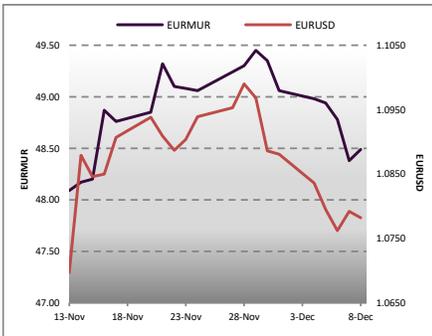
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	28.84	0.33	30.25	0.34
CNYMUR	6.08	-	6.39	-
EURMUR	47.08	0.11	48.49	0.11
JPYMUR	30.18	0.61	31.78	0.64
ZARMUR	2.32	0.03	2.47	0.0
USDMUR	43.63	(0.02)	44.53	(0.02)
GBPMUR	54.94	0.16	56.59	0.17

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	28.80	28.69	28.48	30.24	30.20	30.13
EURMUR	47.00	46.83	46.55	48.48	48.47	48.44
ZARMUR	2.30	2.27	2.21	2.47	2.46	2.45
USDMUR	43.51	43.27	42.85	44.46	44.34	44.16
GBPMUR	54.82	54.55	54.08	56.52	56.37	56.15



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.6601	0.6619	0.6593	0.6616
EURUSD	1.0792	1.0800	1.0783	1.0788
GBPUSD	1.2592	1.2601	1.2584	1.2592
USDJPY	144.09	144.32	142.50	144.05
USDCHF	0.8750	0.8758	0.8745	0.8754
USDCNH	7.16	7.17	7.15	7.17

Major Indices

	Value at Close	Day Change %
DOW JONES	36,054.43	0.17
S&P 500	9,849.74	0.81
FTSE 100	7,513.72	(0.02)
DAX	16,628.99	0.16
CAC 40	7,428.52	0.10
Nikkei 225	32,259.77	1.82
HANGSENG	16,345.89	(0.66)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
8-Dec	7:00	EU	Harmonized Index of Consumer Prices	Nov		2.30%	2.30%
8-Dec	13:30	US	Nonfarm Payrolls	Nov		180k	150k
8-Dec	15:00	US	Michigan Consumer Sentiment Index	Dec	-	62.00	61.30

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

- > Benchmark 10-year Treasury yields held near three-month lows on Thursday as traders await for a highly anticipated jobs report on Friday for clues on whether the labor market is softening at a faster pace.
- > Benchmark 10-year yields were last up 1 basis point on the day at 4.128 percent, after earlier falling to 4.104 percent, matching Wednesday's low, which was the lowest since September 1.
- > Two-year yields fell 3 basis points to 4.578 percent. They are holding above the 4.540 percent level reached on Friday, which was the lowest since June 13.

- > Japanese bond yields jumped on Thursday after Bank of Japan Governor Kazuo Ueda stated that he told Prime Minister Fumio Kishida the central bank will scrutinize the strength of domestic demand and next year's wage outlook in guiding monetary policy.
- > The Bank of Mauritius received applications for the 182 and 364-Day Government of Mauritius Treasury Bills at the weighted average rate of 4.00 and 4.15 percent respectively.

Market Highlights

Local Secondary Market T-Bills

	Bid (%)	Offer (%)
1M	3.85	3.70
2M	3.90	3.75
3M	3.98	3.83
4M	4.01	3.86
6M	4.05	3.90
8M	4.10	3.95
10M	4.15	4.00
1Y	4.20	4.05

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

Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	4.35	4.15
3 year	4.55	4.35
4 Year	4.60	4.40
5 Year	4.75	4.50
10 Year	5.00	4.75
15 year	5.15	4.90
20 Year	5.35	5.10

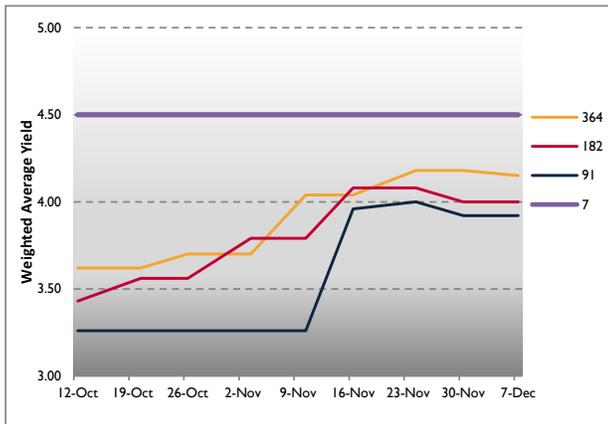
Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Key Rate	4.50	4.00
Fed Funds Rate	5.50	5.25
BoE Bank Rate	5.25	5.00
ECB Ref. Rate	4.50	4.25
RBA Cash Rate	4.35	4.35

Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	4.6078	4.145
UK Bonds	4.501	4.031
German Bonds	2.596	2.139

Auction Results of Treasury Bills



Money Market Rates

Reference Rate*(%)	1 Week	1 Month	3 Months	6 Months
Term SOFR	-	5.480	5.642	5.738
EURIBOR	3.840	3.859	3.950	3.950
SONIA	-	5.201	5.225	5.221

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

Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	2.996	2.588	2.588	2.656
USD OIS	4.345	3.786	3.717	3.712

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



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News

- > Yesterday, Western Texas Intermediate, the US crude oil benchmark, traded around \$69.80. WTI prices are declining to the lowest since July as investors are concerned about China's oil demand growth and the efficiency of the OPEC+ voluntary production cut.
- > Gold price manages to hold in the positive territory for the third successive day. Traders are waiting for the release of the US Nonfarm Payrolls for signs of a weaker labor market, which will boost chances of a rate cut by the Federal Reserve as early as March 2024 and boost the non-yielding yellow metal.

Spot Market

	Today	Change (\$)
Brent Crude Oil (\$)	77.09	(3.85)
Gold (\$)	2,030.30	5.40