

## FOREIGN EXCHANGE MARKET

### News

- > The dollar index hovered near a 10-month low and took the Euro to a session high of USD 1.1474 in Asia this morning.
- > Soft US core inflation and retail sales released on Friday added to pressure on the greenback, particularly after markets digested dovish remarks from Fed Chair earlier last week suggesting gradual rate hikes.
- > The GBP/USD pair broke above the 1.3100 level its highest since September 2016 as hopes for a softer Brexit kept the Pound bid during the second half of the week, with the rally later fueled by USD weakness.
- > The Australian dollar surged to USD 0.7833 a 15-month high on the back of US dollar weakness and commodities recovery while China June GDP came in above estimates.
- > The USD/JPY retreated to 112.50 on softer than expected inflation figures. Markets are closed in Japan today whilst the BOJ will hold its monetary policy meeting on Thursday.
- > The Canadian dollar hit a high of USD 1.2639 benefited from an uptick in oil prices, adding to recent gains against the greenback on the back of the Bank of Canada decision to raise rates on Wednesday.
- > All the major currencies get a lift this morning on the local market and post significant gains while the US dollar start the week on the backfoot and tumbles 5 cents versus the rupee.

### Daily Technical View

Broad-based dollar weakness prevailed on Friday as disappointing US data poured cold water on the Fed rate hike expectations. EURUSD held the 1.1390/1.1400 support level and climbed to a high of 1.1473. Expect more range trading in a holiday-thinned market today. Intraday support lies at 1.1425 ahead of 1.1380/1.1400. The strong support at 1.1320/40 should cap any further downside. To the upside, 1.1500 level acts as major resistance. A clear break above could see a sustained directional move towards 1.1570/80.

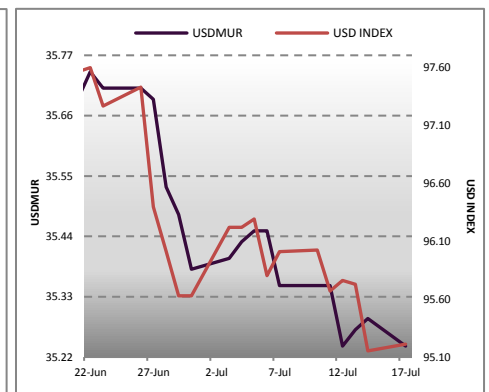
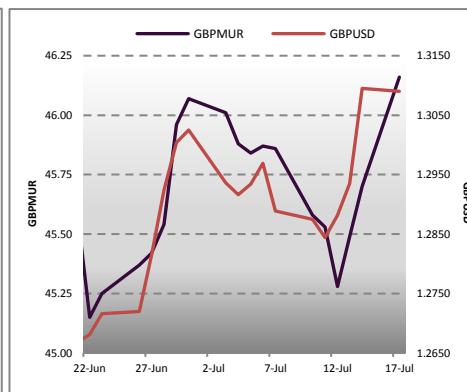
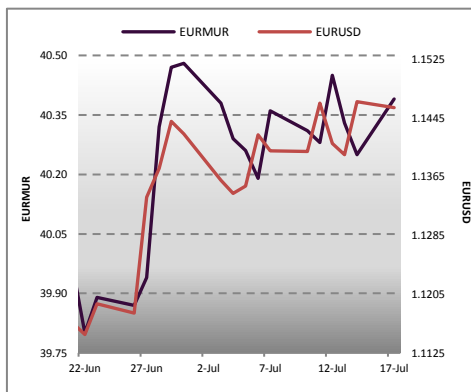
### Market Highlights

#### Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	26.48	0.21	27.73	0.22
CNYMUR	5.00	0.01	5.26	0.01
EURMUR	38.88	0.14	40.39	0.14
JPYMUR	30.26	0.18	31.60	0.18
ZARMUR	2.60	0.03	2.72	0.03
USDMUR	33.92	(0.05)	35.24	(0.05)
GBPMUR	44.43	0.44	46.16	0.46

#### Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	26.46	26.44	26.39	27.74	27.79	27.85
EURMUR	38.94	39.07	39.26	40.48	40.67	40.97
ZARMUR	2.59	2.56	2.52	2.71	2.69	2.66
USDMUR	33.92	33.95	33.95	35.27	35.34	35.44
GBPMUR	44.47	44.57	44.70	46.23	46.41	46.65



#### Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7816	0.7838	0.7809	0.7816
EURUSD	1.1462	1.1474	1.1457	1.1461
GBPUSD	1.3099	1.3112	1.3089	1.3095
USDJPY	112.49	112.69	112.40	112.68
USDCHF	0.9634	0.9647	0.9631	0.9649
USDCNH	6.77	6.77	6.76	6.77

#### Today

#### Major Indices

	Value at Close	Day Change %
DOW JONES	21,553.09	0.39
S&P 500	2,459.27	0.47
FTSE 100	7,378.39	(0.47)
DAX	12,631.72	(0.07)
NIKKEI 225*	20,118.86	0.09
HANGSENG*	26,519.84	0.49

### Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
17-Jul	09 00	EU	CPI (MoM)	June	-	0.0%	-0.1%
18-Jul	01 30	AU	RBA Meeting's Minutes	-	-	-	-
18-Jul	08 30	UK	CPI (YoY)	June	-	-	2.9%

## FIXED INCOME

## News

- > The yield on the benchmark 10-year US Treasury note fell on Friday, capping its largest one-week decline in more than a month, as another soft inflation reading boosted expectations that the Federal Reserve will be cautious in raising interest rates.
- > The odds on another rate increase implied by interest rate futures eased to 43 percent on Friday, after fresh data showed that the consumer price index rose by 1.60 percent on June, down from 1.90 percent in May.
- > The 10-year US Treasury yield fell to 2.28 percent, its lowest level in one month, before recovering some lost territory to trade at 2.33 percent at session closure.

- > From the auction for Government of Mauritius Treasury Bills, the Bank of Mauritius accepted 5 bids for 91-days maturity at the weighted yield of 1.97 percent and nominal value of MUR 1,000.0 Mio. For Bank of Mauritius Bills, 4 bids were accepted for 182-days maturity at the weighted yield of 2.03 percent for nominal value of MUR 671.1 Mio while 6 bids were accepted for 364-days maturity at the weighted yield of 2.19 percent and nominal value of MUR 829.9 Mio.

## Market Highlights

## Local Secondary Market T-Bills

	Bid (%)	Offer (%)
Up to 30 days	1.80	1.65
31 to 60	1.90	1.75
61 to 90	2.00	1.85
91 to 135	2.03	1.88
136 to 180	2.05	1.90
181 to 240	2.13	-
241 to 300	2.16	2.05
301 to 364	2.20	2.05

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

## Local Secondary Market T-Bonds

	Bid (%)	Offer (%)
2 year	2.63	2.45
3 year	3.02	2.82
4 Year	3.35	3.15
5 Year	3.65	3.45
10 Year	4.97	4.72
15 year	5.73	5.48
20 Year	6.25	6.00

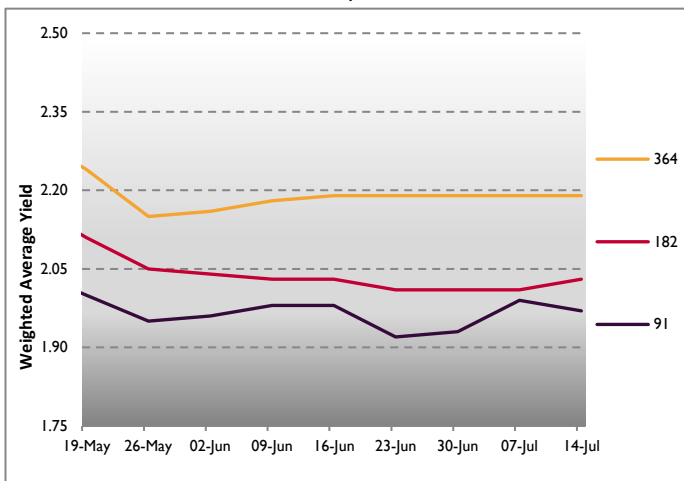
## Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	4.00	4.00
Feds Fund Rate	1.00 - 1.25	0.75 - 1.00
BoE Bank Rate	0.25	0.25
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.50	1.50

## Government Benchmark Yields (%)

	2 Year	5 Year
US Bonds	1.3597	1.868
UK Bonds	0.329	0.695
German Bonds	-0.613	-0.090

## Local Treasury Bills Market



## Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.415	-0.400	-0.376	-0.305
USD	1.189	1.226	1.304	1.456
GBP	0.238	0.251	0.293	0.440
EURIBOR	-0.379	-0.373	-0.331	-0.273

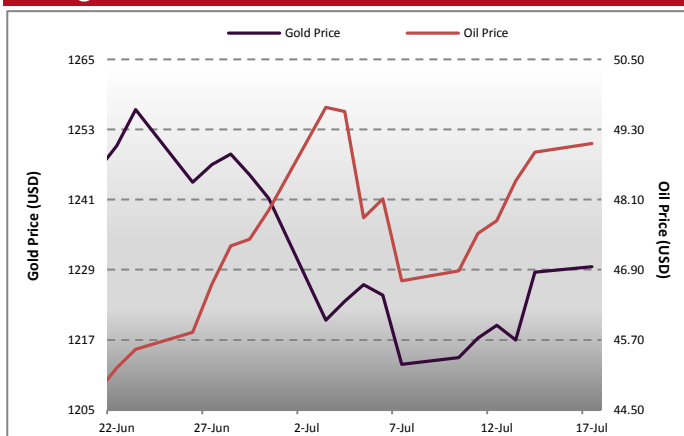
## Indicative Generic Swap Rates\* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.188	0.224	0.491	0.859
USD LIBOR - 3m	1.580	1.910	2.070	2.280

\*Pay fixed and receive floating swap

## COMMODITIES

## Rolling Gold &amp; 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

- > Crude oil prices firmed, benefiting from increasing demand for the commodity and after data on Friday showed US oil rigs count rose at a slower pace last week.
- > Spot gold ramped up as the US dollar and bond yields dropped.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	48.00	0.24	49.06	0.55
Gold (\$)	1,230.34	1,102.80	1229.90	15.10