

FOREIGN EXCHANGE MARKET

News

- > The greenback weakened against a basket of major currencies on Thursday due to lower US bond yields and uncertainty over the timing of the Federal Reserve next interest rate increase.
- > The figures coming from the US were generally positive, as weekly unemployment claims for the week ending February 10 printed 239,000, better than the 245,000 expected.
- > The USD/JPY pair remained on the back foot and tumbled to a low of 113.09 in New York afternoon due to broad-based USD weakness as well as active yen buying before staging a minor short covering rebound.
- > The Great Britain Pound benefited from a weaker US dollar and rallied to 1.2518, ahead of the release of UK retail sales figures later this Friday.
- > The New Zealand dollar dropped to USD 0.7202 in Asia this morning following the release of weaker than expected retail sales figures.
- > The US dollar drops to its lowest level this year, a 3-month low versus the rupee, as the greenback gets hit on the international market and loses ground against its major rivals.
- > The euro and the pound sterling end the week on a positive note while the Australian dollar shys away from its 14-week high and loses 6 cents on the local market.

Daily Technical View

Even though US reports were mostly upbeat, dollar bulls were disappointed that Trump still has not shared the plans on his “phenomenal” tax plan during his speech yesterday. EURUSD jumped to a high of 1.0680 and is now playing around the 1.0660 area. The rapid rise that easily took out the strong 1.0640 resistance came as a surprise. The downward pressure lost some momentum and the current move could be seen as a consolidation phase. The immediate bias is for a probe higher towards the top end 1.0710/30 area. Otherwise, below 1.0640, traders would need to go through 1.0590/1.0610 to increase pressure downside.

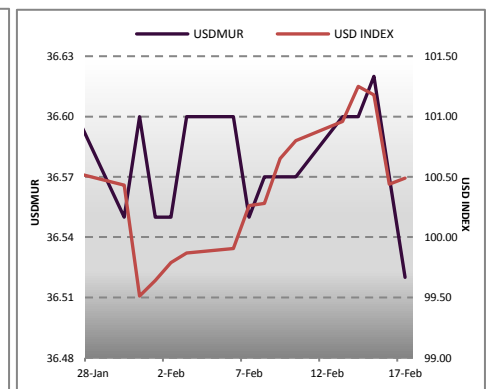
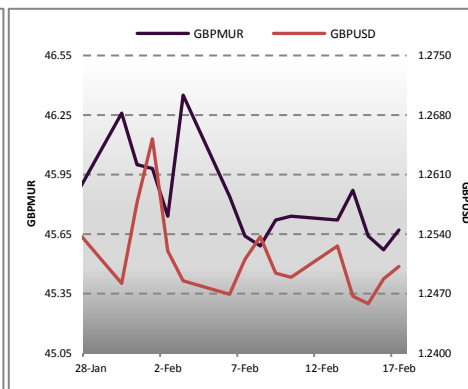
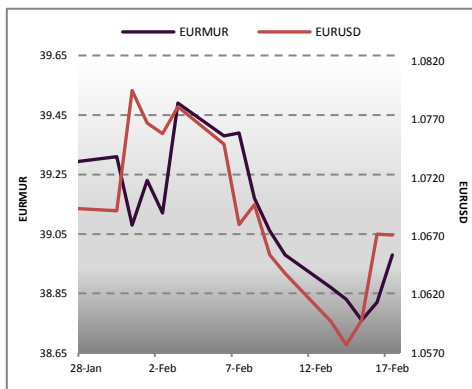
Market Highlights

Indicative Spot Rates

	Bid		Offer	
	Today	Change (Rs.)	Today	Change (Rs.)
AUDMUR	26.94	(0.06)	28.21	(0.06)
CNYMUR	5.07	(0.01)	5.34	(0.01)
EURMUR	37.50	0.16	38.98	0.16
JPYMUR	30.92	0.10	32.29	0.10
ZARMUR	2.70	(0.02)	2.83	(0.02)
USDMUR	35.13	(0.05)	36.52	(0.05)
GBPMUR	43.93	0.09	45.67	0.10

Indicative Forward Rates

	Bid			Offer		
	1m	3m	6m	1m	3m	6m
AUDMUR	26.90	26.91	26.90	28.21	28.30	28.40
EURMUR	37.54	37.74	37.98	39.07	39.32	39.67
ZARMUR	2.69	2.66	2.62	2.82	2.81	2.78
USDMUR	35.14	35.24	35.31	36.57	36.72	36.89
GBPMUR	43.96	44.14	44.32	45.75	45.99	46.31



Previous Day Trading Levels

	Previous Day Trading Levels			Today
	Opening	High	Low	Latest
AUDUSD	0.7692	0.7712	0.7685	0.7709
EURUSD	1.0672	1.0676	1.0662	1.0672
GBPUSD	1.2488	1.2511	1.2476	1.2506
USDJPY	113.22	113.50	113.18	113.40
USDCHF	0.9971	0.9983	0.9967	0.9977
USDCNH	6.85	6.85	6.85	6.85

Today

Major Indices

	Value at Close	Day Change %
DOW JONES	20,611.86	0.04
S&P 500	2,347.22	(0.09)
FTSE 100	7,277.92	(0.34)
DAX	11,757.24	(0.31)
NIKKEI 225*	19,221.93	(0.65)
HANGSENG*	23,981.09	(0.53)

Major Economic Releases (at GMT)

Date	Time	Country	Event	Period	Actual	Expected	Prior
16-Feb	13 30	US	Initial Jobless Claims	Feb	239K	245K	234K%
16-Feb	13 30	US	Housing Starts (MoM)	Jan	1.246M	1.222M	1.226M
17-Feb	09 30	UK	Retail Sales (MoM)	Jan	-	0.9%	-1.9%

FIXED INCOME

News

> US government bond prices ticked higher yesterday, ending a run of declines as investors curbed their bets that a strengthening economy could lead to much tighter monetary policy.

> Since the start of the year, the yield on the benchmark 10-year Treasury note has moved above 2.5 percent nine times but only closed above that level on three occasions, including Wednesday when it settled at 2.502 percent.

> Hopes that an already healthy economy could get a boost from expansionary fiscal policies under President Donald Trump were a main reason why bond prices plummeted late last year, sending the 10-year yield to 2.6 percent in mid-December from 1.867 percent on Election Day.

> This year, however, economic optimism has been tempered by a variety of factors, including uncertainty over the details and timing of the policies of Mr. Trump as well as concern about developments in Europe, where far-right politicians are expected to put in strong showings in upcoming elections.

> Today the Bank of Mauritius will hold auction for Treasury Bills with maturities of 91, 182 and 364 days and nominal value of MUR 2,000.0 Mio.

Market Highlights

Local Secondary Market

	Bid (%)	Offer (%)
91 to 135	2.05	1.85
136 to 180	2.10	1.90
181 to 240	2.20	2.00
241 to 300	2.25	2.05
301 to 364	2.30	2.10

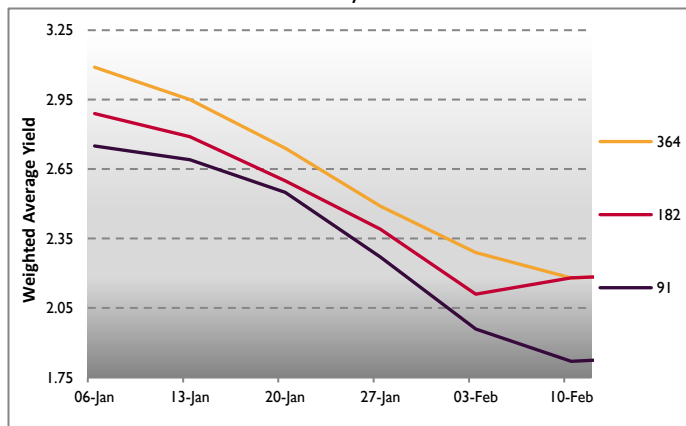
Government Benchmark Bond Yields (%)

	2 Year	5 Year	10 Year
US Bonds	1.219	1.950	2.459
UK Bonds	0.102	0.460	1.263
German Bonds	-0.769	-0.420	0.349

Key Central Bank Rates

	Current Level (%)	Previous (%)
BOM Repo Rate	4.00	4.40
Feds Fund Rate	0.50 - 0.75	0.25 - 0.50
BoE Bank Rate	0.25	0.25
ECB Ref. Rate	0.0	0.0
RBA Cash Rate	1.50	1.75

Local Treasury bills Market



Money Market Rates

LIBOR (%)	1 Week	1 Month	3 Months	6 Months
EUR	-0.404	-0.395	-0.350	-0.248
USD	0.719	0.781	1.057	1.364
GBP	0.239	0.263	0.358	0.521
EURIBOR	-0.380	-0.373	-0.328	-0.241
JIBAR	n/a	7.083	7.325	7.892

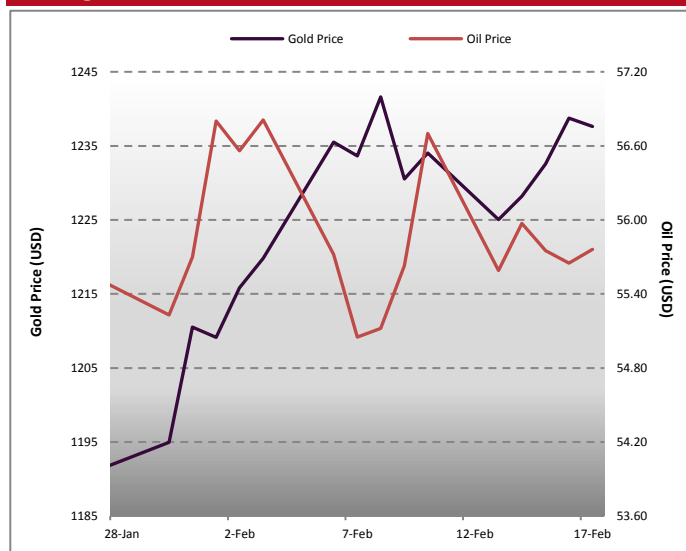
Indicative Generic Swap Rates* (%)

Tenor	2yr	5yr	7yr	10yr
EURIBOR - 3m	-0.227	0.038	0.287	0.667
USD LIBOR - 3m	1.573	2.027	2.226	2.399

*Pay fixed and receive floating swap

COMMODITIES

Rolling Gold & Oil Prices



News

> Oil prices firmed overnight fueled by a report stating that OPEC could extend its oil-reduction pact with non-members or even apply deeper cuts from July if global crude inventories does not fall to a targeted level.

> Elsewhere, oil exports from Iraq for February have edged lower, a sign that the country is committed to cut global output.

> Gold prices slipped in Asia on Friday on a growing expectation the Federal Reserve will hike rates next month while Copper gained on mine labor issues.

	Spot Market		Futures Market	
	Today	Change (\$)	Today	Change (\$)
Brent Crude Oil (\$)	53.82	(0.41)	55.76	0.03
WTI Crude Oil (\$)	53.43	0.39	53.43	0.39
Gold (\$)	1,238.00	2.82	1,240.00	4.50
Silver (\$)	18.06	0.02	18.06	0.11