



## INTERNATIONAL MARKET FOCUS

The EUR/USD produced mild gains around 1.0680 as the key week begins on a positive note. The major currency printed a three-day uptrend early Monday morning in Europe as joint efforts over the weekend from major central banks to avoid a liquidity crunch join the UBS-Credit Suisse deal to favour the market's risk profile, as well as underpin the recovery in the US Treasury bond yields and the US dollar. Moving ahead, Wednesday's FOMC monetary policy meeting announcement is this week's crucial event as Fed's 0.25% rate hike is already given. Also important are the preliminary readings of the March PMIs. Above all, risk catalysts and the U.S. Treasury bond yields will be the key for traders to watch for clear directions.

Sterling is doing some serious attempts for recapturing the round-level resistance of \$1.2200 in the early European session. The major is oscillating in a narrow range of 1.2168-1.2203. The Cable is struggling to deliver decisive action and is showing a subdued performance as investors are awaiting interest rate decisions by the Fed and the BOE, which will be announced on Wednesday and Thursday respectively.

The safe-haven Japanese yen, which is particularly sensitive to long-term Treasury yields, recovered from early losses as steep as 0.6%. It was last trading at \$131.80 as the U.S. 10-year yield pared an early decline in Tokyo trading and headed back toward a nearly two-month low.

The Australian dollar reversed early gains early on Monday, as investor optimism faded over the rescue deal for Credit Suisse and the concerted effort by global central banks to restore confidence. The Aussie eased 0.1% to \$0.6692, after rising as much as 0.6% to \$0.6743 earlier in the day, buoyed by outflows from the safe haven Japanese yen. Markets are now wagering the strains in global banking mean the RBA's 10-month tightening campaign is essentially over, have even priced in rate cuts of a total of 50 basis points by the end of this year.

The Indian rupee continued its upward trend and rose 11 paise to \$82.48 in early trade on Monday, tracking a fall in oil prices and firm Asian currencies. Strong dollar and negative sentiments across the global and Indian equity markets, however, capped the gain in the rupee. At the Indian interbank foreign exchange, the rupee opened stronger at \$82.48 and then slipped to \$82.52. It gained further to \$82.48, registering a gain of 11 paise. Rout in the US and European stocks the past week adversely impacted investor sentiments amid concerns over the health of the global banking system.

The South African rand weakened against the dollar on Monday ahead of planned protests by the Marxist Economic Freedom Fighters party. At 0743GMT, the rand traded at \$18.4350, 0.16% weaker than its previous close. South African security forces said 87 people have been arrested over the past 12 hours over public violence. The MEFF party has called for a national shutdown to protest crippling power cuts and demand the resignation of President C. Ramaphosa. Statistics South Africa will publish on Wednesday February inflation figures, which will give more clues about the health of Africa's most industrialised economy. A Reuters poll found on Monday that SA Reserve Bank will raise interest rates for the last time in this cycle by 25 basis points on March 30, in anticipation of slower inflation and a weak economy due to power disruptions.

(Reuters)

## LOCAL MARKET

Last week the USD/MUR traded within a range of 47.30/47.45, while the EUR/MUR traded within a range of 50.62/51.38 and the GBP/MUR traded within a range of 57.74/58.17

### Results of last week auctions held by the Bank of Mauritius:

- On the 17th of March was held an auction of 7-Day Bank of Mauritius Bills; MUR 70,341.1 million were allocated at a yield of 4.50%.
- On the 16th of March an auction of 182-Day Government of Mauritius Bills was held for a nominal amount of MUR 800.0 million. Out of the 5 bids received (representing MUR 2,500.0 million), 3 were accepted for the tender amount at a weighted average yield of 4.42%.

### INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
<b>SPOT</b>	46.05/46.95	49.12/50.50	56.08/57.72
<b>1 MTH</b>	46.06/46.96	49.13/50.51	56.09/57.73
<b>3 MTH</b>	46.07/46.97	49.14/50.52	56.10/57.74

Source: BCP Bank (Mauritius) Ltd.

### LATEST WEIGHTED TREASURY BILLS YIELDS

7 DAYS	91 DAYS	182 DAYS	364 DAYS
4.50%	4.26%	4.42%	4.42%

Source : Bank of Mauritius

### CURRENCY QUOTES AGAINST USD

CURRENCY	OPENING	OPENING LAST WEEK
<b>EUR</b>	1.0667	1.0724
<b>GBP</b>	1.2177	1.2124
<b>JPY</b>	131.875	133.915
<b>ZAR</b>	18.4145	18.19495

### INDICATIVE LIBOR RATES

	USD	EUR	GBP (Terms Ref. Rate) SONIA 3.9272
<b>1 MTH</b>	4.75617	2.648	4.0479
<b>3 MTH</b>	4.85378	2.750	4.1260
<b>6 MTH</b>	4.74882	3.055	4.2043



## THIS WEEK MAJOR ECONOMIC INDICATORS local time

21Mar	04:30	AUD	RBA Meeting Minutes
21Mar	14:00	EUR	ZEW Survey – Economic Sentiment
22Mar	11:00	U.K.	C.P.I.
22Mar	22:00	U.S.	Fed Interest Rate Decision / Fed’s Monetary Policy Statement
22Mar	22:30	U.S.	FOMC Press Conference
23Mar	16:00	U.K.	BOE Interest Rate Decision / BOE Monetary Policy Summary
23Mar	16:30	U.S.	Weekly Jobless Claims
24Mar	13:00	EUR	S&P Global/CIPS Manufacturing & Services PMI
24Mar	13:30	U.K.	S&P Global/CIPS Manufacturing & Services PMI
24Mar	17:45	U.S.	S&P Global/CIPS Manufacturing & Services PMI

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