



INTERNATIONAL MARKET FOCUS

The US dollar was broadly steady on Monday as investors awaited further clues to help chart the U.S. interest rate path in the wake of cautious comments from Federal Reserve officials, even as inflation shows signs of cooling. Data last week showed U.S. consumer prices for April eased, leading to markets pricing in 50 basis points, or at least two rate cuts this year, but various Fed officials have sounded words of caution about when rates may fall.

The euro is edging higher toward \$1.0900 early on Monday, helped by a better market mood. The pair also draws support from a softer US dollar and US Treasury bond yields, awaiting Fed speak amid light European trading. Sterling touched a two-month high of \$1.2711 ahead of the crucial UK inflation report due on Wednesday. Markets are pricing in 56 basis points of cuts from the Bank of England with the first one expected in June. It has been understood since the last BOE meeting that the June rate cut scenario depends on this week's CPI data and the next inflation report due on June 19. The BOE will meet on June 20.

The Japanese yen started the week on the back foot, weakening a bit to \$155.80 as traders remain on tenterhooks for signs of government intervention. The currency has moved in tight ranges in the past couple of trading days.

The Australian dollar hovered near a four-month top on Monday, supported by a surge in commodity prices after China unveiled huge steps to stabilise the property market. The Aussie rose 0.1% to \$0.6700, after gaining 1.4% last week to as high as \$0.6714, the strongest since early January. It broke a major resistance level of \$0.6650 as the softening in U.S. inflation revived chances of rate cuts globally, boosting risk appetite. The Reserve bank of Australia will release the minutes for its May policy meeting on Tuesday, and traders will be looking for signs about how serious the central bank considered a rate hike after strong first-quarter inflation figures.

South Africa's rand was broadly steady this morning, having hit its strongest level since August 2023, helped by an improvement in risk sentiment. At 0622GMT, the rand traded at \$18.15, unchanged from its previous close. This week, focus will be on the inflation data. The inflation rate is expected to inch down by 0.2% from 4.9% to 4.7% YoY for the period ending April 2024.

(Reuters)

LOCAL MARKET

Last week the USD/MUR traded within a range of 46.41/46.68, the EUR/MUR traded within a range of 50.82/51.06 and the GBP/MUR traded within a range of 58.97/59.39

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

- On the 17th of May was held an auction of 7-Day Bank of Mauritius Bills at fixed yield of 4.50% for a nominal amount of MUR 1,000 million. MUR 1,000.00 million was allocated out of MUR 10,100.0 million received.

- On the 16th of May was held an auction of 91-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 3,000.0 Million. Out of the 7 bids received (representing MUR 4,000.0 million), 2 were allocated for the tender amount at a weighted average yield of 3.14%.

- On the 16th of May was also held an auction of 182-Day and 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 1,000.0 Million each. Out of the 10 bids received (representing MUR 5,900.0 million), 2 were allocated for the tender amount. The weighted average yields were as follows: 3.45% for 182-Day and 3.85% for 364-Day.

- On the 15th of May was held an auction of 4.86% Three-Year Government of Mauritius Treasury Notes (New benchmark) for a nominal amount of MUR 1,800 million. Out of the 17 bids received (representing MUR 6,300.0 million), 6 were allocated for the MUR 2,800.0 million at a weighted average yield of 4.90%.

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	45.55/46.45	49.64/51.07	57.88/59.52
1 MTH	45.56/46.46	49.65/51.08	57.89/59.53
3 MTH	45.57/46.47	49.66/51.09	57.90/59.54

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

7 DAYS	91 DAYS	182 DAYS	364 DAYS
4.50%	3.14%	3.45%	3.85%

Source : Bank of Mauritius

CURRENCY QUOTES AGAINST USD

CURRENCY	OPENING	OPENING LAST WEEK
EUR	1.0880	1.0771
GBP	1.27075	1.25265
ZAR	18.1425	18.4254
JPY	155.765	155.785

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP (Overnight Terms Ref. Rate)
1 MTH	5.31976	3.799	5.2086
3 MTH	5.32580	3.830	5.1186
6 MTH	5.28321	3.791	5.0267



THIS WEEK MAJOR ECONOMIC INDICATORS (Local Time)

21May	05:30	AUD	RBA Meeting Minutes
21May	21:00	U.K.	BOE's Governor Bailey Speech
22May	10:00	U.K.	C.P.I. / P.P.I.
22May	22:00	U.S.	FOMC Minutes
23May	12:00	EUR	HCOB Manufacturing and Services PMI
23May	12:30	U.K.	S&P Global/CIPS Manufacturing and Services PMI
23May	16:30	U.S.	Weekly Jobless Claims
23May	17:45	U.S.	S&P Global Manufacturing and Services PMI
23May	18:00	EUR	Consumer Confidence
24May	10:00	U.K.	Retail Sales
24May	18:00	U.S.	Michigan Consumer Sentiment Index

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