

INTERNATIONAL MARKET FOCUS

The US dollar firmed to a near three-month high on Monday as investors awaited the release of data this week to gauge the health of the U.S. economy and determine whether it could alter the Federal Reserve’s hawkish stance. Last week, the Fed lowered rate by 25 basis points as expected but Chair J. Powell signalled that may be the central bank’s last reduction for the year, citing the risk of making additional moves without a more robust picture of the economy. While the ongoing U.S. government shutdown is expected to delay the release of the nonfarm payrolls report on Friday, investors will have their eyes on other news, including ADP employment data and ISM PMIs this week for a pulse check on the economy.

The Euro edged lower and continued its losing streak for the fourth successive session, trading around \$1.1530 this morning, as the US currency gained on the fading likelihood of a Fed rate cut in December. In addition, ECB policymaker François Villeroy said on Friday that the central bank is in a good position following the October policy decision to keep its rate unchanged at 2.00%.

The Pound Sterling remains depressed below mid- \$1.3100s at the start of the new week. It continues with its relative underperformance on the back of growing concerns about the UK’s fiscal situation ahead of Finance Minister R. Reeve’s Autumn budget on November 26. Furthermore, rising bets for more rate cuts by the Bank of England validate the negative outlook for the Cable pair. However, it will be prudent to wait for the BoE policy update on Thursday before positioning for the next leg of a directional move.

The Japanese Yen was last 0.1% weaker at \$154.15 as it struggled to make headway against its peers. Even though BoJ Governor Ueda last week sent the strongest signal yet that a rate hike was possible as soon as December, markets remained underwhelmed by the central bank’s gradual approach, particularly given that the Fed has turned more hawkish.

The Australia dollar was left to drift on Monday after a mixed bag of economic data news did little to move the dial on expectations for steady interest rates this week, while keeping alive the chance of an eventual easing. The RBA meets on Tuesday, and is now widely seen skipping a rate cut and holding the cash rate at 3.6% following an uncomfortably high reading on core inflation. The Aussie was last trading 0.05% lower around \$0.6552

The Indian rupee hovered near its record low on Monday, with likely central bank intervention helping limit the currency’s decline amid sustained importer hedging and the broadly stronger US dollar. The rupee was last trading at \$88.7875, little changed on the day and just shy of its all-time low of \$88.80 hit in late September.

The South African rand edged higher in early trade, ahead of the release of a local manufacturing purchasing managers’ index and vehicle sales numbers for the month of October. At 0559GMT, the rand traded at \$17.2950, roughly up 0.2% on Friday’s close.

(Source: Reuters)

LOCAL MARKET

Last week the USD/MUR traded within a range of 45.80/46.26, the EUR/MUR traded within a range of 53.65/53.81 and the GBP/MUR traded within a range of 61.07/61.52

Results of last week auctions held by the Bank of Mauritius

- On the 30th of October was held an auction of 182-Day and 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 1,000.0 Million and MUR 1,500.0 Million respectively. Out of the 14 bids received (representing MUR 4,850.0 million), 10 were allocated as follows: 7 bids received for 182-Day for MUR 1,900.0 million and 4 were allocated for MUR 600.0 million at a weighted average yield of 4.61%; 7 bids received for 364-Day for MUR 2,950.0 million and 6 were allocated for MUR 1,500.0 million at a weighted average yield of 4.97%.

- On the 30th of October was also held an auction of 91-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 4,000.0 Million. 7 bids were received (representing MUR 4,900.0 million), and were accepted for the auction amount at a weighted average yield of 4.38%.

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	45.54/46.44	52.28/53.84	59.56/61.34
1 MTH	45.55/46.45	52.29/53.85	59.57/61.35
3 MTH	45.56/46.46	52.30/53.86	59.58/61.36

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
4.38%	4.61%	4.97%

Source : Bank of Mauritius

CURRENCY QUOTES

CURRENCY	OPENING	OPENING LAST WEEK
EUR/USD	1.1534	1.1624
GBP/USD	1.31415	1.33155
USD/ZAR	17.3114	17.22105
USD/JPY	154.075	153.135

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP
O/N	4.04000	1.931	3.9693
1 MTH	3.99963	1.917	3.9184
3 MTH	3.88927	2.040	3.8751
6 MTH	3.78944	2.138	3.7795



THIS WEEK MAJOR ECONOMIC INDICATORS (GMT Time)

03Nov	13:00	EUR	HCOB Manufacturing PMI
03Nov	18:45	USD	ISM Manufacturing PMI
04Nov	07:30	AUD	RBA Interest Rate Decision / RBA Monetary Policy Statement
04Nov	08:30	AUD	RBA Press Conference
05Nov	19:00	USD	ISM Services PMI
06Nov	14:00	EUR	Retail Sales
06Nov	16:00	GBP	BoE Interest Rate Decision / BoE Minutes
06Nov	16:30	GBP	BoE's Governor Bailey Speech
06Nov	17:30	USD	Weekly Jobless Claims
07Nov	17:30	USD	Nonfarm Payrolls / Unemployment Rate / Average Hourly Earnings

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