



## INTERNATIONAL MARKET FOCUS

The US dollar was broadly steady on Monday as Friday's soft U.S. jobs report boosted wagers that the Federal Reserve may still cut rates twice this year. Data showed U.S. job growth slowed more than expected in April and the increase in annual wages fell below 4.0% for the first time in nearly three years, as signs of labour market cooling raised optimism that the U.S. central bank could engineer a soft landing for the economy. Markets are now pricing in 45 basis points of cuts this year, with a rate cut in November fully priced in. As expected, the Fed held interest rates steady at the conclusion of its last week two-day monetary policy meeting, but signalled it was still leaning towards eventual rate cuts, even if they make take longer to come than initially expected.

The Euro advanced to fresh multi-week high above \$1.0800 on Friday but erased a portion of its daily gains heading into the weekend. Nevertheless, the EUR/USD pair rose 0.5% for the week. Early Monday, the pair is fluctuating in a tight channel above 1.0750.

After spiking above \$1.2630 in the early American session on Friday, sterling reversed its direction and closed the day at around \$1.2550. The Cable pair is holding steady near its weekly closing level in European morning.

The Japanese yen had clocked last week its strongest weekly gain in more than 17 months following two bouts of suspected Japanese government interventions to pull the currency away from a 34-year low of \$160.245. On Monday, the yen weakened 0.43% to \$153.62 in early trading, having touched a three-week high of \$151.86 on Friday, as the dollar lost additional ground after the jobs data.

The Australian dollar edged higher this morning as investors wagered the country's central bank would sound more hawkish at tomorrow's policy meeting, with even a rate hike not outside the realm of possibilities. The risk of a hawkish turn kept the Aussie firm at \$0.6615, having hit a two-month top of \$0.6650 on Friday following the softer U.S. jobs report.

The Indian rupee was little changed on Monday as dollar demand from importers hurdled gains even as U.S. bond yields declined after weak U.S. economic data raised hopes of a November rate cur but the Fed. The rupee was last at \$83.4425, barely changed from its close at \$83.4225 in the previous session.

The South African rand was stronger in early trade, after private sector activity rose marginally in April. At 0724GMT, the rand traded at \$18.4650, about 0.3% stronger than its previous close. This week, markets will keep a close eye on a host of speeches by Federal Reserve officials for hints on the future interest rate path in the world's biggest economy.

(Reuters)

## LOCAL MARKET

Last week the USD/MUR traded within a range of 46.77/46.85, the EUR/MUR traded within a range of 50.69/50.76 and the GBP/MUR traded within a range of 59.17/59.27

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

- On the 03rd 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 10,300.0 million received.

- On the 02nd of May was held an auction of 91-Day and 182-Day Bank of Mauritius Bills for a nominal amount of MUR 2,000.0 Million. Out of the 16 bids received (representing MUR 4,900.0 million), 4 were allocated for the tender amount. The amounts and weighted average yields were as follows: MUR 612.2 million @ 3.18% for 91-Day and MUR 1,387.8 million @ 3.69% for 182-Day.

- On the 02nd of May was also held an auction of 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 1,500.0 Million. Out of the 11 bids received (representing MUR 4,200.0 million), 4 were allocated for MUR 1,600.0 million at a weighted average yield of 4.10%.

### INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
<b>SPOT</b>	45.80/46.70	49.38/50.81	57.47/59.10
<b>1 MTH</b>	45.81/46.71	49.39/50.82	57.48/59.11
<b>3 MTH</b>	45.82/46.72	49.40/50.83	57.49/59.12

Source: BCP Bank (Mauritius) Ltd.

### LATEST WEIGHTED TREASURY BILLS YIELDS

7 DAYS	91 DAYS	182 DAYS	364 DAYS
4.50%	3.18%	3.69%	4.10%

Source : Bank of Mauritius

### CURRENCY QUOTES AGAINST USD

CURRENCY	OPENING	OPENING LAST WEEK
<b>EUR</b>	1.0765	1.0732
<b>GBP</b>	1.2548	1.25455
<b>ZAR</b>	18.5241	18.7381
<b>JPY</b>	153.865	155.535

### INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP (Overnight Terms Ref. Rate) 5.2000
<b>1 MTH</b>	5.32241	3.865	5.2003
<b>3 MTH</b>	5.32755	3.827	5.1774
<b>6 MTH</b>	5.30693	3.802	5.1090



## THIS WEEK MAJOR ECONOMIC INDICATORS (Local Time)

06May	12:30	EUR	Sentix Investor Confidence
06May	13:00	EUR	Producer Price Index
07May	08:30	AUD	RBA Interest Rate Decision / RBA Rate Statement / RBA Press Conference
07May	13:00	EUR	Retail Sales
09May	15:00	U.K.	BOE Interest Rate Decision / BOE Minutes
09May	15:30	U.K.	BOE's Governor Bailey Speech
09May	16:30	U.S.	Weekly Jobless Claims
10May	10:00	U.K.	G.D.P.
10May	18:00	U.S.	Michigan Consumer Sentiment Index

### DISCLAIMER

This publication has been prepared by the Treasury department of BCP Bank (Mauritius) Ltd. It is provided to you for information purposes. Any pricing in this report is indicative and is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has been obtained from sources believed to be reliable but BCP Bank (Mauritius) Ltd does not represent or warrant that it is accurate and complete. The views reflected herein are those of BCP Bank (Mauritius) and are subject to change without notice. Any such person should before acting on the information in the report, seek appropriate professional advice. Neither BCP Bank (Mauritius), nor any officer or employee thereof accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents.

Copyright in this report is owned by BCP Bank (Mauritius) Ltd.

### TREASURY TEAM CONTACT DETAILS:

**TREASURER:**  
GOVINDEN MODELAR  
VYAPOOREE  
Direct line: 207 8732

**ASSISTANT TREASURER:**  
VEGANADEN YETEN  
Direct line: 207 8628

**CORPORATE DEALER:**  
JEAN-PIERRE JEROME  
Direct line: 207 8605

**DEALER:**  
WARREN POUILLAY PALLANY  
Direct line: 207 8718