



**BCP BANK (MAURITIUS)**

GRUPE BANQUE CENTRALE POPULAIRE

02 AUGUST 2021

**Weekly Market Update**

## INTERNATIONAL MARKET FOCUS

The US dollar held just above a one-month low on Monday as traders held tight positions heading into a busy week that includes monthly U.S. jobs data. The dollar index, which measures the greenback against six major peers, stood at 92.091, almost unchanged from Friday, when it dipped to as low as 91.775 for the first time since June 28. The index dropped 0.88% last week, its worst performance since early May, after Fed Chair J. Powell reiterated mid-week that rate increases were “a ways away” and the job market still had “some ground to recover”.

The EUR/USD pair flirted with 1.1900 on Friday as local GDP data surpassed expectations in Q2, but the greenback finally benefited from month-end-flows and profit-taking in the late trading hours, although it ended the week with losses against its major rivals.

After testing a one-month high in the previous week, Sterling remained muted in the Asian trading session on Monday and is currently trading at \$1.3900. The GBP gained after reports showed a steady decline in the new coronavirus infection. In the meantime, the EU paused in the legal action against the UK over the Northern Ireland protocol in the previous week.

The USD/JPY was stuck in a tight range this morning, and was last seen at 109.72, virtually unchanged on the day after moving away from a 10-day low on the last trading day of last week. The Japanese yen was the second best performer in G10 FX space in July, after its safe haven peer CHF.

The Australian dollar hovered near recent lows against the greenback on Monday as fears that China’s regulatory crackdown could slow investment flows. The Aussie was 0.04% lower at \$0.7343 as a recent survey showed factory activity in China grew at the slowest pace in 17 months in July. That leaves the currency next to support levels at about \$0.7317, in the vicinity of its July trough of \$0.7289. Constantly local shifting outbreaks of coronavirus and accompanying restrictions are also expected to keep pressure on the AUD, with the RBA on Tuesday expected to reverse last month’s decision to taper its weekly bond-buying programme.

South Africa’s rand edged lower in early trade on Monday, struggling for direction in the absence of local catalysts with investors eyeing monthly U.S. jobs data due at the end of the week. At 0610GMT, the rand traded at \$14.6200, 0.4% weaker than its previous close. Last week, the SA currency clocked weekly gains thanks to a dovish tone from the U.S. Federal Reserve meeting.

The Indian rupee strengthened against the dollar on Monday, supported by firm domestic equities despite rising Covid situation across the globe. Domestic investors will be eyeing to cues from the Reserve Bank of India’s monetary policy meeting this week. The INR is currently trading at \$74.40, stronger by 2 paise from its previous close of \$74.42 on Friday.

(Source: Reuters)

## LOCAL MARKET

Last week the USD/MUR traded flat at 43.05, while the EUR/MUR traded within a range of 51.03/51.45 and the GBP/MUR traded within a range of 59.43/60.26.

The Bank of Mauritius held on Friday an auction of 182-Day Government of Mauritius Treasury Bills for a tender amount of MUR 500.0 million. Out of the 8 bids received (representing MUR 1,500.0 million), 2 were accepted for the tender amount. The weighted average yield was 0.77%.

The Bank of Mauritius also held on Friday an auction of 91 & 364-Day Bank of Mauritius Bills for an aggregate nominal amount of MUR 3,000.0 million. Out of the 17 bids received (representing MUR 6,300.0 million), 4 were allocated for the tender amount. The weighted average yields and allocated amounts were as follows: 0.63% for 91 days – MUR 1,333.3Mio and 0.90% for 364 days – MUR 1,666.7Mio.

## INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
<b>SPOT</b>	42.00/42.90	49.81/51.24	58.18/59.84
<b>1 MTH</b>	42.01/42.91	49.82/51.25	58.19/59.85
<b>3 MTH</b>	42.02/42.92	49.83/51.26	58.20/59.86

Source: BCP Bank (Mauritius) Ltd.

## LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
0.63%	0.77%	0.90%

Source : Bank of Mauritius

## CURRENCY QUOTES AGAINST USD

CURRENCY	OPENING	OPENING LAST WEEK
<b>EUR</b>	1.1871	1.1780
<b>GBP</b>	1.38995	1.3755
<b>JPY</b>	109.72	110.345
<b>ZAR</b>	14.6157	14.8502

## INDICATIVE LIBOR & SONIA RATES

	USD	EUR	GBP (Terms Ref. Rate)
<b>SONIA</b>			0.0504
<b>1 MTH</b>	0.09050	-0.57700	0.0519
<b>3 MTH</b>	0.11775	-0.55414	0.0527
<b>6 MTH</b>	0.15313	-0.52600	0.0565



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### THIS WEEK MAJOR ECONOMIC INDICATORS

02Aug	12:00	EUR	Markit Manufacturing PMI
02Aug	12:30	U.K.	Markit Manufacturing PMI
02Aug	18:00	U.S.	Markit Manufacturing PMI
02Aug	18:00	U.S.	ISM Manufacturing PMI
03Aug	08:30	AUD	RBA Interest Rate Decision / RBA Rate Statement
04Aug	13:00	EUR	Retail Sales
04Aug	18:00	U.S.	ISM Services PMI
05Aug	15:00	U.K.	BOE Interest Rate Decision / BOE Minutes
05Aug	15:30	U.K.	BOE's Governor Bailey Speech
02Aug	16:30	U.S.	Nonfarm Payrolls / Unemployment Rate / Average Hourly Earnings

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