



INTERNATIONAL MARKET FOCUS

The US dollar kept trade-sensitive currencies pinned near multi-year lows on Monday. The US dollar index stood at 105.00, not far below last month's two-decade high of 105.70. Trade is likely to light today ahead of the Independence Day holiday in the United States. On Wednesday, the minutes of the Fed's June meeting are almost certain to sound hawkish given the committee chose to hike rates by a super-sized 75 bps. The market is pricing in around an 85% chance of another hike of 75 basis points this month, and rates at 3.25-3.50% by year end, before cuts in 2023.

The euro was steady at \$1.0430 this morning. The common currency is barely above May's five-year trough of \$1.0349 and highlights the market's preference for US dollars as gloom clouds the outlook. Data on Friday showed euro zone inflation surging to another record, adding to the case for the ECB to hike interest rates this month.

Sterling is seesawing around \$1.2100 as traders struggle for clear directions amid downbeat UK catalysts and the US dollar pullback. Also weighing on the Cable is another attempt by UK policymakers to oust PM B. Johnson. Opponents of the Prime Minister will try to overhaul 1922 Committee rules so that another leadership challenge can be triggered immediately.

The Australian dollar was pinned to two-year lows on Monday, as investors shorted the resource-rich currencies to reflect the risk of a global downturn. The Aussie slid 1.2% on Friday and hit a trough of \$0.6764 as it was undermined by steep falls in copper and iron ore, both of which are big export earners. The Reserve Bank of Australia holds its July policy meeting on Tuesday and market players are expecting toward another hike of 50 basis points to 1.35%.

South Africa's rand was flat in early trade on Monday, as the safe-haven US dollar firmed on growth fears. At 0700GMT, the rand was trading around \$16.3325, 0.33% than its previous close. The local currency will remain under pressure in the near term, with a recovery of last week's losses seemingly unlikely unless there is a significant shift in the market's assessment of the global inflation and economic outlook. Moreover, persisting power cuts in the country could cause further market weakness.

The Indian Rupee weakened on Monday amid persistent outflows of foreign capital. Foreign institutional investors remained net sellers in the capital market. Moreover, concerns over high inflation, a potential US recession and economic growth worries also adding pressure on rupee sentiments. The USD/INR is currently trading at 78.98, weaker by 4 paise from its previous close of 78.94 on Friday. The pair touched a high and low of 79.06 and 78.96 respectively.

(Reuters)

LOCAL MARKET

Last week the USD/MUR traded within the range of 45.30/45.70, while the EUR/MUR traded within a range of 48.13/48.37 and the GBP/MUR traded within a range of 55.60/55.93

The Bank of Mauritius held on Friday an auction of 364-Day Government of Mauritius Treasury Bills for a tender amount of MUR 900.0 million. Out of the 6 bids received (representing MUR 2,370.0 million), 2 were accepted for MUR 1,300.0 million. The weighted average yield was 1.28%.

The Bank of Mauritius also held on Friday an auction of 91 & 182-Day Bank of Mauritius Bills for an aggregate nominal amount of MUR 3,000.0 million. Out of the 11 bids received (representing MUR 9,200.0 million), 5 were accepted for MUR 7,100.0 million. The detailed weighted average yields were as follows: 6 bids received for 91 days for MUR 6,800.0Mio and 4 were accepted for MUR 6,200.0 million at 1.00%; 5 bids received for 182 days for MUR 2,400.0Mio and only 1 bid was accepted for MUR 900.0 million at 1.05%.

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	44.90/45.80	46.79/48.11	54.10/55.62
1 MTH	44.91/45.81	46.80/48.12	54.11/55.63
3 MTH	44.92/45.82	46.81/48.13	54.12/55.64

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
1.00%	1.05%	1.28%

Source : Bank of Mauritius

CURRENCY QUOTES AGAINST USD

CURRENCY	OPENING	OPENING LAST WEEK
EUR	1.0427	1.0565
GBP	1.20935	1.2282
JPY	135.075	134.705
ZAR	16.36475	15.79905

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

SONIA	USD	EUR	GBP (Terms Ref. Rate)
1 MTH	1.72789	-0.506	1.1930
3 MTH	2.10954	-0.176	1.5498
6 MTH	2.59685	0.238	1.9806



BCP BANK (MAURITIUS)

GRUPE BANQUE CENTRALE POPULAIRE

Weekly Market Update

THIS WEEK MAJOR ECONOMIC INDICATORS

04Jul	12:30	EUR	Sentix Investor Confidence
05Jul	08:30	AUD	RBA Interest Rate Decision / RBA Rate Statement
06Jul	13:00	EUR	Retail Sales
06Jul	18:00	U.S.	ISM Services PMI
06Jul	22:00	U.S.	FOMC Minutes
07Jul	16:30	U.S.	Weekly Jobless Claims
08Jul	16:30	U.S.	Nonfarm Payrolls / Unemployment Rate

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