



BCP BANK (MAURITIUS)

GROUPE BANQUE CENTRALE POPULAIRE

20 SEPTEMBER 2021

Weekly Market Update

INTERNATIONAL MARKET FOCUS

The US dollar began the week firmly with investors in a cautious mood ahead of several central bank meetings, headlined by the Federal Reserve. The Fed concludes a two-day meeting on Wednesday and markets' consensus is that it will stick with broad plans to begin tapering this year but will hold off providing details or a timeline for at least a month.

The Euro stayed on the back foot down 0.10% intraday around \$1.1710, the monthly low, as the major currency pair dropped for the third consecutive day to kick-start the new week.

Sterling edged lower following the previous week's downside momentum. The movement in the GBP/USD is mainly triggered by the gains in the greenback. Better-than-expected economic data and the concerns about the rapid increase of the Delta variant of coronavirus cases globally pushed demand for the US dollar owing for its safe-haven appeal. On the other hand, the pound was under pressure as investors remain nervous about UK inflation growth. A higher inflation reading could force the BOE to raise interest rates and crunch the already ailing economy. In trade thinned by holiday in Japan, the Japanese yen edged up 0.1% to \$109.88 while equity markets dropped with concern that indebted Chinese developer Evergrande collapse could trigger a broader crisis.

The Australian dollar was on track for its third straight session of losses against the greenback on Monday as worries about China's economy weighed on risk sentiment and commodity prices, and sent stock prices tumbling. The Aussie was down 0.44% at \$0.7220, continuing its downward trend from a September peak of \$0.7477. Its 2021 trough of \$0.7106 is its next significant support level.

The Indian rupee weakened against the US dollar on Monday, tracking the strong American currency in the overseas market with investors bracing for the US Federal Reserve to take another step towards tapering this week. The rupee fell further on muted domestic equities, despite foreign inflows into the capital market on Friday. The INR is currently trading at \$73.64, weaker by 16 paise from its previous close of \$73.48 on Friday.

South Africa's rand weakened in early Monday trade after losing ground last week, as the US dollar rallied even as investors stayed cautious ahead of a week packed with local and global economic indicators. At 0625GMT, the rand was trading at \$14.83, down 0.34% from Friday's close, and having lost up 4.35% since September 10. Investors will be closely watching the South African Reserve Bank's policy meeting on Thursday to get a steer on where interest rates are headed in the continent's most advanced economy.

(Source: Reuters)

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	42.00/42.90	49.15/50.56	57.37/59.01
1 MTH	42.01/42.91	49.35/50.78	57.70/59.36
3 MTH	42.02/42.92	49.36/50.79	57.71/59.37

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
0.60%	0.82%	0.93%

Source : Bank of Mauritius

CURRENCY QUOTES AGAINST USD

CURRENCY	OPENING	OPENING LAST WEEK
EUR	1.1714	1.1803
GBP	1.37075	1.38335
JPY	109.92	109.94
ZAR	14.83835	14.2097

INDICATIVE LIBOR & SONIA RATES

	USD	EUR	GBP (Terms Ref. Rate)
SONIA			0.0501
1 MTH	0.08350	-0.57343	0.0514
3 MTH	0.12388	-0.56100	0.0560
6 MTH	0.15225	-0.54100	0.0847

LOCAL MARKET

Last week the USD/MUR traded within a range of 42.75/42.90, while the EUR/MUR traded within a range of 50.77/50.93 and the GBP/MUR traded within a range of 59.35/59.50.

The Bank of Mauritius held on Friday an auction of 364-Day Government of Mauritius Treasury Bills for a tender amount of MUR 500.0 million. Out of the 5 bids received (representing MUR 1,650.0 million), 2 were accepted for the tender amount. The weighted average yield was 0.93%.

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 1,500.0 million. Out of the 15 bids received (representing MUR 4,500.0 million), 9 were accepted for an amount of MUR 3,000.0. The weighted average yields and allocated amounts were as follows: 0.60 for 91 days – MUR 2,100.0Mio and 0.82% for 182 days – MUR 900.0Mio.

The Bank of Mauritius finally held on the 14th of September an auction of 4.68% Twenty-Year Government of Mauritius Bonds for a tender amount of MUR 2,500.0 million. Out of the 20 bids received (representing MUR 6,850.0 million), 10 were accepted for the tender amount. The weighted average yield was 4.96%.



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THIS WEEK MAJOR ECONOMIC INDICATORS

21Sep	05:30	AUD	RBA Meeting Minutes
22Sep	18:00	EUR	Consumer Confidence
22Sep	22:00	U.S.	Fed Interest Rate Decision / Fed's Monetary Policy Statement
22Sep	22:30	U.S.	FOMC Press Conference
23Sep	12:00	EUR	Markit Manufacturing & Services PMI
23Sep	12:30	U.K.	Markit Manufacturing & Services PMI
23Sep	15:00	U.K.	BOE Interest Rate Decision / BOE Minutes
23Sep	16:30	U.S.	Weekly Jobless Claims
23Sep	17:45	U.S.	Markit Manufacturing & Services PMI
23Sep	12:00	GER	IFO – Business Climate

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TREASURY TEAM CONTACT DETAILS

ASSISTANT TREASURER:

VEGANADEN YETEN
Direct line: 207 8628

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

DEALER:
WARREN POULLAY PALLANY
Direct line: 207 8718