



BCP BANK (MAURITIUS)

GRUPE BANQUE CENTRALE POPULAIRE

10 MAY 2021

Weekly Market Update

INTERNATIONAL MARKET FOCUS

The US dollar went into downward spiral post-dismal US Nonfarm Payrolls data on Friday, which spooked the market and fuelling the speculation of the continuation of the ultra-accommodative monetary policy in the U.S. The employment data echoed the narrative of the Fed officials that the economy is not overheating and downplayed the rising inflationary pressure as there is plenty of room for economic recovery in terms of employment and stable prices. Comments from the US Treasury Secretary Janet Yellen, however, provided cushion to the falling US dollar, citing that the economic recovery is on track despite the terrible job reports.

On the other hand, the Eurozone posted remarkable growth in service sector data, shown by the Eurozone PMI survey released last week. In addition to that, the retail sales rose firmly in March despite the coronavirus led lockdown. The EUR/USD peaked at 1.2177 in the Asian session this morning, albeit the pair retreated towards the session's low of 1.2150 where it now wavers after a revival in US Treasury yields lifted the demand for the greenback.

Sterling rose after PM B.Johnson emerged stronger from local U.K. elections as his party tightened their grip in Northern Ireland, while the main party pushing for independence in Scotland failed to win an outright majority. The pound gained as much as 0.4% trading above 1.4050 against the dollar during Asian trading as investors covered short positions and Japanese banks bought the currency.

The Australian dollar climbed on Monday to be near 10-weeks highs against their U.S .counterpart as the disappointing jobs report pressured the greenback and a commodity prices aided risk appetite. The Aussie rose to 0.1% to \$0.7854 after surpassing critical chart resistance of \$0.7815 on Friday. It went as high as \$0.7863, a level not seen since late February, helped by solid Australian retail sales data and a strong business conditions survey. The currency is now facing stiff resistance at \$0.7865, a breach of which would take it as high as \$0.7885. The AUD jumped 1.7% last week, marking its best weekly performance since November.

South Africa's rand steadied on Monday, holding at a 16-month high against the dollar hit in the previous session, after subdued U.S. jobs data supported hopes that interest rates would remain low for some time, thus bolstering risk appetite. At 0631GMT, the rand traded at \$14.05, unchanged from its previous close on Friday when it hit its highest level since early January 2020.

The Indian rupee strengthened against the US dollar on Monday supported by firm domestic equities on the back of positives global clues and the weak greenback. However, foreign fund outflows along with worries over the intense second wave of Covid-19 infection capped the upside in the rupee. The INR is currently trading at \$73.45, stronger by 6 paise from its previous close of \$73.51 on Friday.

(Source: Reuters)

LOCAL MARKET

Last week the USD/MUR traded within a range of 40.80/40.90, the EUR/MUR traded within a range of 49.23/49.58, while the GBP/MUR traded within a range of 56.56/57.02

The Bank of Mauritius held on Friday an auction of 91 & 364-Day Bank of Mauritius Bills for an aggregate nominal amount of MUR 2,000.0 million and 182-Day Government of Mauritius Treasury Bills for a tender amount of MUR 1,000.0 million. Out of the 29 bids received (representing MUR 5,400.0 million), 10 were accepted. The weighted average yields and allocated amounts were as follows: 0.60% for 91 days – MUR 1,000.0Mio; 0.72% for 182 days – MUR 950.0Mio and 0.88% for 364 days – MUR 1,000.0Mio.

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	39.90/40.80	48.45/49.88	55.76/57.40
1 MTH	39.91/40.81	48.46/49.89	55.77/57.41
3 MTH	39.92/40.82	48.47/49.90	55.78/57.42

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
0.60%	0.72%	0.88%

Source : Bank of Mauritius

CURRENCY QUOTES AGAINST USD

CURRENCY	OPENING	OPENING LAST WEEK
EUR	1.2156	1.2021
GBP	1.40255	1.3821
JPY	108.85	109.585
ZAR	14.0639	14.4881

INDICATIVE LIBOR RATES

	USD	EUR	GBP
1 MTH	0.10138	-0.57129	0.05275
3 MTH	0.15988	-0.54100	0.08288
6 MTH	0.19275	-0.52686	0.11038



BCP BANK (MAURITIUS)

GRUPE BANQUE CENTRALE POPULAIRE

Weekly Market Update

THIS WEEK MAJOR ECONOMIC INDICATORS IN GMT

10May	08:30	EUR	Sentix Investor Confidence
11May	09:00	EUR	ZEW Survey – Economic Sentiment
11May	09:00	GER	ZEW Survey – Economic Sentiment
11May	14:30	U.K.	BOE’s Governor Bailey Speech
12May	06:00	U.K.	G.D.P.
12May	12:30	U.S.	C.P.I.
13May	01:30	AUD	Unemployment Rate
13May	12:30	U.S.	Retail Sales / Weekly Jobless Claims
14May	14:30	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

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