

Daily Market Report

23 May 2017

SBM

FX Market Update

USD The dollar fell to a more than six-month low against a basket of currencies yesterday, extending its losses from last week, as an uncertain U.S. political climate and a buoyant euro weighted on the greenback.

EUR The euro was 0.1 percent higher at \$1.1247 after touching \$1.1264 overnight, its highest since Nov. 9. Merkel said yesterday that the common currency is weak due to the European Central Bank's monetary policy, pointing out that this helped explain Germany's relatively high trade surplus.

GBP The pound slipped against the yen after a suspected terrorist attack at a concert in Britain's city of Manchester. Sterling was down 0.2 percent at 144.36 yen after weakening to as much as 144.06. An explosion at the end of a concert by U.S. singer Ariana Grande in the English city of Manchester yesterday killed at least 19 people and injured more than 50. Two U.S. officials said a suicide bomber was suspected, while Prime Minister Theresa May said the incident was being treated as a terrorist attack

ZAR South Africa's rand held its gains of the previous week against the dollar on Monday as the latest bout of U.S. political turmoil kept the greenback on the back foot.

JPY The safe-haven yen advanced against major peers like the dollar and euro but its gains were modest. The dollar was down 0.2 percent at 111.100 yen after a dip to 110.860 and the euro slid 0.2 percent to 124.860 yen

INR INR has opened at 64.63 as compared to yesterday close of 64.5575 with risk turning negative after the news hit the wire of possible terror attack in Manchester arena confirming 19 dead. Currently trading at 64.80. USD/INR is expected to trade in the range of 64.65 to 65.00.

MGA USD/MGA trading at 3040-3120 and EUR/MGA trading in the range 3400/3475 for the day. The local FX market is in excess of USD 16 M.

Trading Idea

SELL EUR/USD AT 1.1285 TP AT 1.1200 SL AT 1.1320

Mauritian Market Highlights

Tomorrow we have the re-issuance of the 2.90% Benchmark Three-Year Government of Mauritius Treasury Notes maturing on 17 February 2020 through an auction to be held for a revised amount of Rs2,000 million.

Bond Buzz and Money Market news

Treasuries endured a subdued session due to a heavy investment grade issuance docket, further gains for equities and European sovereign bond weakness. The two-year note yield tacked on 0.4bps to 1.274%. The 10-year bond yield is higher by 1.4bps to 2.248%.

Today's Data Watch

Time	Data	Fore-cast	Prev.	Importance
10:00	EUR German Gross Domestic Product n.s.a. (YoY) (1Q F)	2.9%	2.9%	MEDIUM
11:30	EUR Markit/BME Germany Composite PMI (MAY P)	56.6	56.7	MEDIUM
14:30	GBP Central Government NCR (APR)	-	18.3b	MEDIUM

Data from Yesterday

Time	Data	Actual	Fore-cast	Prev.
12:00	CHF Domestic sight Deposits CHF (19 MAY)	487.5b	-	484.5b
16:30	USD Chicago Fed Nat Activity Index (APR)	0.49	0.25	0.07
17:00	CNY Conference Board China April Leading Economic Index	-	-	-

Currency	Latest	Change
EUR/USD	1.1248	▲
GBP/USD	1.2994	▼
USD/ZAR	13.2501	▲
USD/JPY	111.16	▼
USD/INR	64.7900	▲
USD/MGA	3026	▼
USD/MUR	35.5540	▼
EUR/MUR	39.8850	▲
GBP/MUR	46.0660	▼
ZAR/MUR	2.7100	▼
INR/MUR	0.5511	▼
MGA/MUR	1.2200	▼
Equity		Change
DJIA	20,894.83	▲
NASDAQ	6133.618	▲
FTSE100	7496.34	▲
NIKKEI 225	19665.16	▼
SEMDEX	2072.275	▲
Commodities		Change
BRENT	53.64	▼
GOLD	1262.22	▲
SILVER	17.1694	▲
LIBOR	3M	6M
USD	1.18644	1.41517
EUR	-0.37286	-0.27571
GBP	0.30431	0.45056

Central Bank Rates

FED	1.00%
BOE	0.25%
ECB	0.00%
BOM Repo	4.00%
RBI Repo	6.25%
BCM Repo	8.70%

Government of Mauritius Securities

91 days	2.00%
182 days	2.11%
364 days	2.24%
3 Year	3.65%
5 Year	3.99%
10 Year	4.95%

International Bond

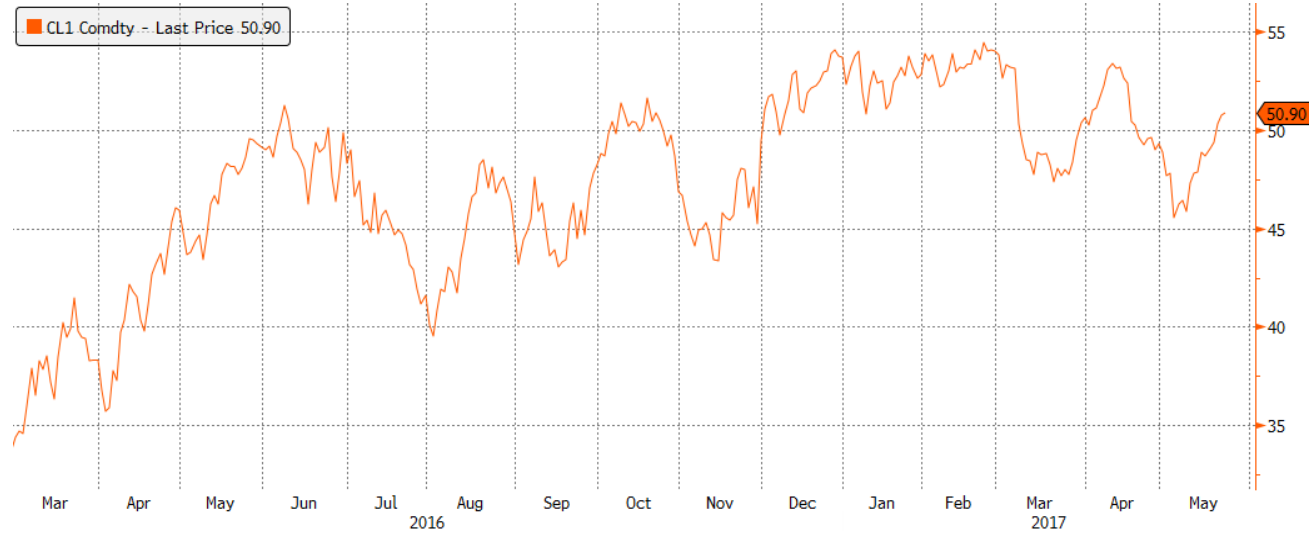
Electricite de France (EDF) produces, transmits, distributes, imports and exports electricity. The Company, using nuclear power, coal and gas, provides electricity for French energy consumers.

Electricite de France SA USD Bond maturing on 22nd January 2019 is trading at a yield of 1.800% p.a.

Bonds Ratings

Moody's	A3
S&P	A-
Fitch	A-

Crude oil



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Sources : Bloomberg, Reuters, Bank of Mauritius

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