

# Daily Market Report

24<sup>th</sup> June 2022



FX Market Update		Mauritian Market Highlights					CURRENCIES	Latest	Change
USD	The US dollar index is trading at the level of 104.06, indicating some improvement in the perception of risk around the world. Initial unemployment claims went upwards and US PMI surveys went significantly to the downside, signaling a sharp slowdown in momentum. In the near future, a flat trajectory is expected.	On the 20 <sup>th</sup> May 2022, the Bank of Mauritius intervened on the domestic foreign exchange market and sold a total amount of USD10.0 million at the rate of Rs43.10/USD.					EUR/USD	1.0534	▼
							GBP/USD	1.2262	▲
EUR	The EUR/USD is trading at 1.0541, even after the Eurozone PMI surveys showed a steep decline. The major drivers have been an improvement in risk perception and hawkish remarks from ECB officials. Moving forward, the pair will receive intermediate influence from ECB member speeches and Germany's IFO Business Index.	Bond Buzz and Money Market news					USD/ZAR	15.9585	▲
							USD/JPY	134.8000	▼
GBP	The GBP/USD is trading at the 1.2270 level due to a weaker dollar, but analysts expect the pair's increase to be constrained by higher inflation and disappointing UK PMI numbers. Investor attention will be focused on today's forthcoming UK retail sales data, which is predicted to reflect a declining trend.	US treasuries are trading higher this morning: The 10 Year US yield is trading at 3.098% vs the previous close of 3.070%.					USD/INR	78.3000	▲
							USD/MGA	4000.00	▼
ZAR	USDZAR is trading around 15.92 level as the US Dollar Index strives to keep the first daily gains despite the market's inaction.	Today's data					USD/KES	117.60	▲
							USD/MUR	44.5500	▬
JPY	The USD/JPY is currently down at 134.66 despite Japan's inflation growth being unchanged, suggesting that the BoJ will continue to pursue its ultra-loose monetary policy. Given the increase in US Treasury yields throughout today's session, there is potential for upside in the near term.	Time	Data	Forecast	Previous	Importance	EUR/MUR	47.0350	▼
		12:00	German IFO Business Climate Index (Jun)	92.9	93.0	High	GBP/MUR	54.8000	▲
INR	The Indian Rupee traded higher against the US dollar in the previous trading session moving to the 78.31 level.	14:00	EU Leaders Summit	-	-	High	ZAR/MUR	2.8700	▲
		18:00	New Home Sales (May)	588K	591K	High	INR/MUR	0.5807	▲
MGA	The USDMGA is trading in the close band of 3950.00-4097.27	Data for yesterday					MGA/MUR	1.1900	▬
							Equity		Change
KES	The USDKES is expected to trade in the close range of 117.65-117.85.	Time	Data	Actual	Forecast	Importance	DJIA	30,677.36	▲
		12:30	UK Composite PMI (Jun)	52.6	51.8	High	NASDAQ	11,232.19	▲
		14:00	EU Leaders Summit	-	-	High	FTSE100	7,020.45	▼
		16:30	US Initial Jobless Claims	229K	227K	High	NIKKEI 225	26,491.97	▲
							SEMDEX	2,146.11	▼
							Commodities		Change
							BRENT	110.45	▲
							GOLD	1,823.79	▼
							SILVER	20.98	▼
							IIBOR	3M	6M
							USD	2.01322	2.56366
							EUR	-0.17200	0.29100
							DAILY SONIA (GBP)	1.18950	

## Central Bank Rates

FED – Upper Bound	1.75%
BOE	1.25%
ECB	0.00%
BOM Repo	2.25%
RBI Repo	4.90%

## Government of Mauritius Securities

91 days	1.00%
182 days	1.10%
364 days	1.28%
3 Year	2.81%
5 Year	3.22%
10 Year	4.39%

## U.S Treasuries

2 Year	3.038%
5 Year	3.158%
10 Year	3.095%

## Trading Idea

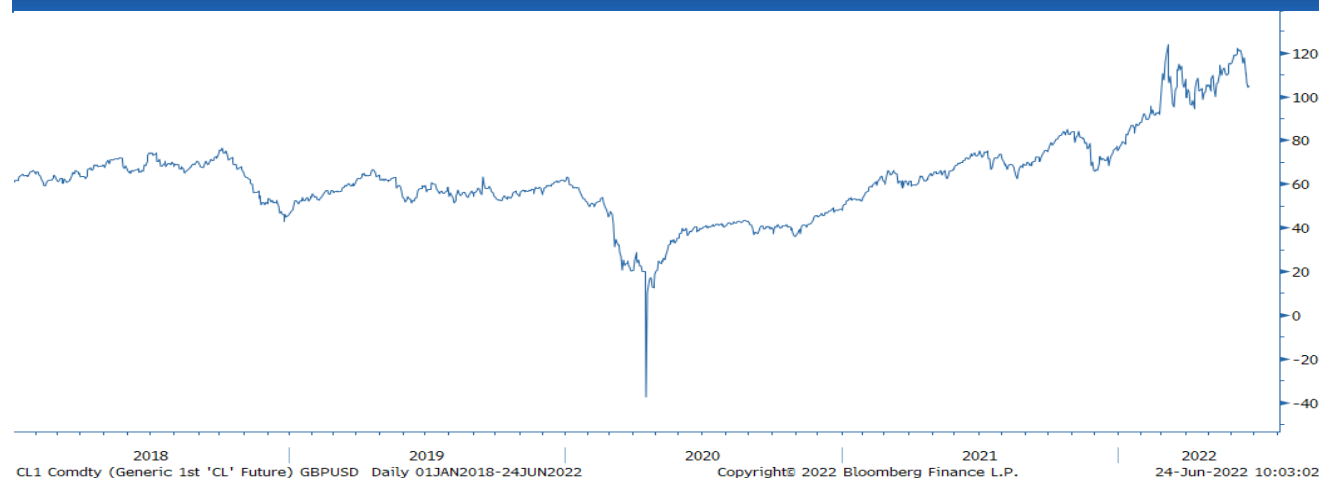
### EUR/USD aims at the 1.0550 level due to increasing hawkish Fed speculations

As the US Dollar Index (DXY) performs poorly, the EUR/USD is heading towards the 1.0550 level. The DXY prices were not significantly affected by Fed Powell's comments. Investors will pay close attention to the US Durable Goods Orders for more direction. A break above 1.0568 followed by 1.0619 would be bullish whilst immediate support is seen at 1.0500 followed by 1.0471.

Buy at 1.0530, TP 1.0600, SL 1.0500



## Crude oil



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Sources: Bloomberg, Reuters, Bank of Mauritius