

Daily Market Report

28th June 2022



FX Market Update		Mauritian Market Highlights					CURRENCIES	Latest	Change															
USD	The US dollar index is trading at 103.96. Although the US statistics showed positive durable goods orders, the Dallas Fed Manufacturing Index fell. For today data on consumer confidence will be monitored by investors for new direction.	On the 20 th 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	1.0577	▲															
							GBP/USD	1.2272	▼															
EUR	The EUR/USD is trading steadily at 1.0577, as investors are expecting news from the ECB conference today. The speeches of ECB President Lagarde and other ECB members, in which they are anticipated to be rate-hawkish, are also anticipated.	Bond Buzz and Money Market news US treasuries are trading lower this morning. The 10 Year US yield is trading at 3.196% vs the previous close of 3.202%.					USD/ZAR	15.8238	▲															
							USD/JPY	135.3200	▲															
							USD/INR	78.6425	▲															
							USD/MGA	4040.50	▲															
GBP	The GBP/USD is trading higher at 1.2273. Despite the EU's warning about a trade war, the House of Commons passed the North Ireland Protocol Bill. If the law is approved, it might have an impact on the cable in the future.	Today's data					USD/MUR	117.65	▬															
							USD/MUR	44.5500	▬															
							EUR/MUR	47.2380	▲															
ZAR	USDZAR is trading around 15.82 level as the US Dollar Index fails to recover 104.00 prior to the release of US CB Consumer Confidence data.	<table border="1"> <thead> <tr> <th>Time</th> <th>Data</th> <th>Forecast</th> <th>Previous</th> <th>Importance</th> </tr> </thead> <tbody> <tr> <td>12:00</td> <td>ECB President Lagarde Speaks</td> <td>-</td> <td>-</td> <td>High</td> </tr> <tr> <td>18:00</td> <td>US CB Consumer Confidence (June)</td> <td>100.4</td> <td>106.4</td> <td>High</td> </tr> </tbody> </table>					Time	Data	Forecast	Previous	Importance	12:00	ECB President Lagarde Speaks	-	-	High	18:00	US CB Consumer Confidence (June)	100.4	106.4	High	GBP/MUR	54.8000	▼
							Time	Data	Forecast	Previous	Importance													
							12:00	ECB President Lagarde Speaks	-	-	High													
18:00	US CB Consumer Confidence (June)	100.4	106.4	High																				
ZAR/MUR	2.8800	▼																						
JPY	The USD/JPY is trading at 135.30 level due to the weak demand for USD. Investors are watching the JPY in anticipation of tomorrow's retail sales statistics, which are predicted to be mixed. The pair's future will be significantly impacted by events in the US.	Data for yesterday					INR/MUR	0.5783	▼															
							MGA/MUR	1.1900	▬															
							Equity		Change															
MGA	The USDMGA is trading in the close band of 4040.50-4100.00	<table border="1"> <thead> <tr> <th>Time</th> <th>Data</th> <th>Actual</th> <th>Forecast</th> <th>Importance</th> </tr> </thead> <tbody> <tr> <td>16:30</td> <td>US Core Durable Goods Orders (May)</td> <td>0.7%</td> <td>0.3%</td> <td>High</td> </tr> <tr> <td>18:00</td> <td>US Pending Home Sales (May)</td> <td>0.7%</td> <td>-4.0%</td> <td>High</td> </tr> </tbody> </table>					Time	Data	Actual	Forecast	Importance	16:30	US Core Durable Goods Orders (May)	0.7%	0.3%	High	18:00	US Pending Home Sales (May)	0.7%	-4.0%	High	DJIA	31,438.26	▼
							Time	Data	Actual	Forecast	Importance													
16:30	US Core Durable Goods Orders (May)	0.7%	0.3%	High																				
18:00	US Pending Home Sales (May)	0.7%	-4.0%	High																				
KES	The USDKES is expected to trade in the close range of 117.65-117.85.	<table border="1"> <thead> <tr> <th>Time</th> <th>Data</th> <th>Actual</th> <th>Forecast</th> <th>Importance</th> </tr> </thead> <tbody> <tr> <td>22:30</td> <td>ECB President Lagarde Speaks</td> <td>-</td> <td>-</td> <td>High</td> </tr> </tbody> </table>					Time	Data	Actual	Forecast	Importance	22:30	ECB President Lagarde Speaks	-	-	High	NASDAQ	11,524.55	▼					
							Time	Data	Actual	Forecast	Importance													
22:30	ECB President Lagarde Speaks	-	-	High																				
						FTSE100	7,258.32	▲																
						NIKKEI 225	26,948.94	▲																
						SEMDEX	2,136.10	▼																
						Commodities		Change																
						BRENT	116.54	▲																
						GOLD	1,825.61	▼																
						SILVER	21.19	▼																
						IIBOR	3M	6M																
						USD	2.02963	2.55329																
						EUR	-0.21800	0.22300																
						DAILY SONIA (GBP)	1.18920																	

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	1.08%
364 days	1.28%
3 Year	2.81%
5 Year	3.22%
10 Year	4.39%

U.S Treasuries

2 Year	3.085%
5 Year	3.230%
10 Year	3.177%

Trading Idea

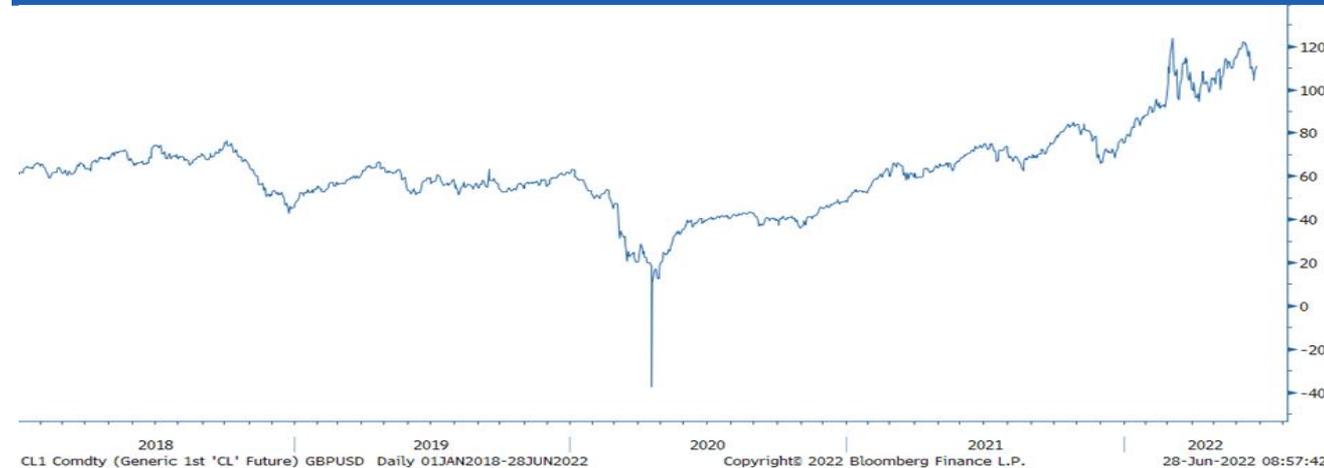
The EUR/USD finds some support around 1.0570 due to the weak US Dollar Index and the emphasis on Fed Powell's speech

Prior to ECB Lagarde's statement, the Euro is maintaining above 1.0570. The inflation rate has risen above 8%, meaning that a major rate increase by the ECB appear imminent. The Fed Powell speech will clarify some of the doubt around the magnitude of the rate hike in July. Immediate resistance is seen at 1.0595 followed by 1.0619. On the downside, a break below 1.0570 followed by 1.0516 is likely to initiate further drops towards 1.0471.

Buy at 1.0570, TP 1.0630, SL 1.0540



Crude oil



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Sources: Bloomberg, Reuters, Bank of Mauritius