

Daily Market Report

5th September 2022



FX Market Update		Mauritian Market Highlights					CURRENCIES	Latest	Change					
USD	The DXY index is up at the 110.18 level, taking advantage of a falling euro as worries over a European energy crisis are still very much present. The mixed US labor market report, in which the unemployment rate increased and wage inflation reduced sequentially, had little impact on the US Dollar Index since investors were still preoccupied with worries about a possible global recession.	On the 23 rd August 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 Rs44.15/USD.					EUR/USD	0.9908	▼					
							GBP/USD	1.1467	▼					
							USD/ZAR	17.3508	▲					
							USD/JPY	140.3400	▲					
EUR	The EUR/USD is trading down at the 0.9887 level with a lack of gas delivery through the Nord Stream pipeline aggravating Europe's energy crisis. Along with this, investor caution ahead of this week's retail sales and GDP estimate data will sustain downward pressure on the EUR.	Bond Buzz and Money Market news					USD/INR	79.8600	▲					
							USD/MGA	4112.60	▬					
							USD/KES	120.05	▲					
							USD/MUR	44.6000	▬					
GBP	The GBP/USD is trading down at the 1.1453 level due to a combination of a stronger US Dollar and risk-averse attitude in light of the energy crisis. Additionally, uncertainty over potential tax cuts is hurting the GBP. Aside from today's speech by BoE member Mann and the PMI data, risk catalysts will be the focus of investor attention this week.	Today's data					EUR/MUR	44.8140	▼					
							GBP/MUR	51.8600	▼					
							ZAR/MUR	2.6400	▬					
							INR/MUR	0.5697	▼					
ZAR	USDZAR is trading around the 17.36 level as the US Dollar Index bulls keeps testing new limits.	12:30Composite PMI (Aug)50.952.1High					MGA/MUR	1.1900	▬					
							12:30Services PMI (Aug)52.552.6High					Equity	Latest	Change
												DJIA	31,318.44	▼
												NASDAQ	11,630.86	▼
JPY	The USD/JPY is trading steady at the 140.36 level, indicating a general lack of interest in taking risks. Investors will concentrate on risk catalysts given the US holiday, with future gains anticipated to be even higher.	Data for yesterday										FTSE100	7,281.19	▲
							NIKKEI 225	27,655.40	▼					
							SEMDEX	2,094.05	▲					
							Commodities	Latest	Change					
INR	The Indian Rupee closed weaker against the US dollar in the previous trading session moving to the 79.80 level.	16:30US Nonfarm Payrolls (Aug)315K300KHigh					BRENT	95.14	▲					
							GOLD	1,713.07	▲					
							SILVER	18.06	▲					
							IIBOR	3 MNTHS	6 MNTHS					
MGA	The USDMGA is trading in the close band of 4112.60-4300.00.	16:30US Unemployment Rate (Aug)3.7%3.5%High					USD	3.04686	3.41229					
							EUR	0.71200	1.24000					
KES	The USDKES is expected to trade in the close range of 120.05-120.25.						DAILY SONIA (GBP)	1.69040						

Central Bank Rates

FED – Upper Bound	2.50%
BOE	1.75%
ECB	0.50%
BOM Repo	2.25%
RBI Repo	5.40%

Government of Mauritius Securities

91 days	1.00%
182 days	1.12%
364 days	1.28%
3 Year	2.92%
5 Year	3.46%
10 Year	4.79%

U.S Treasuries

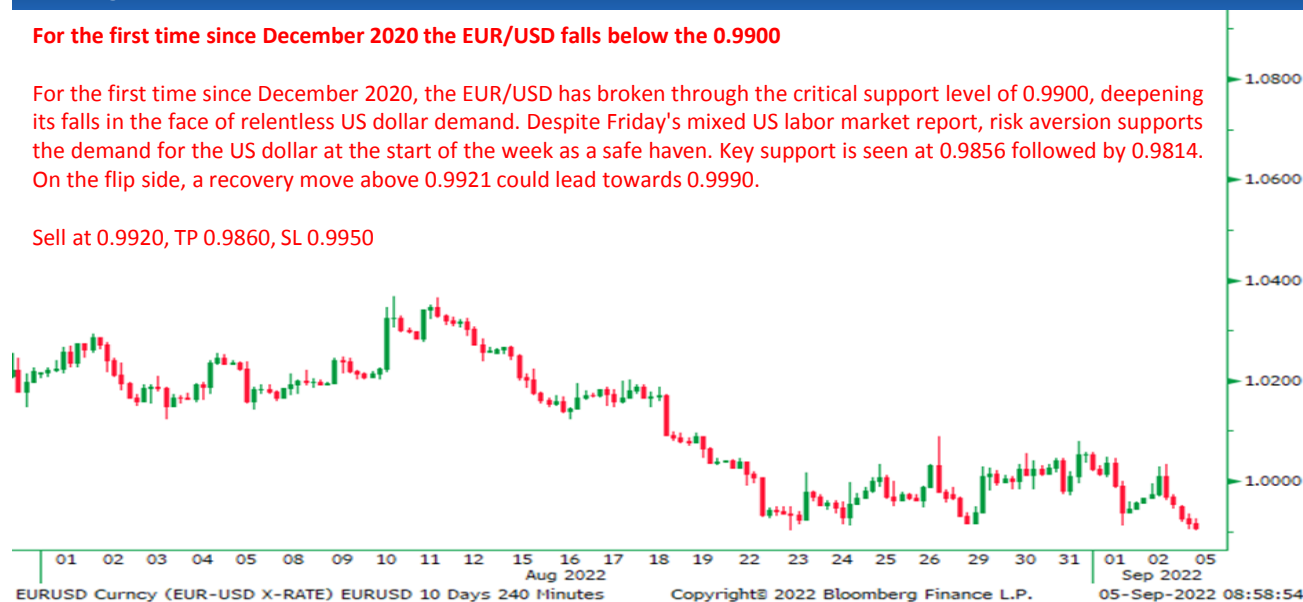
2 Year	3.396%
5 Year	3.298%
10 Year	3.195%

Trading Idea

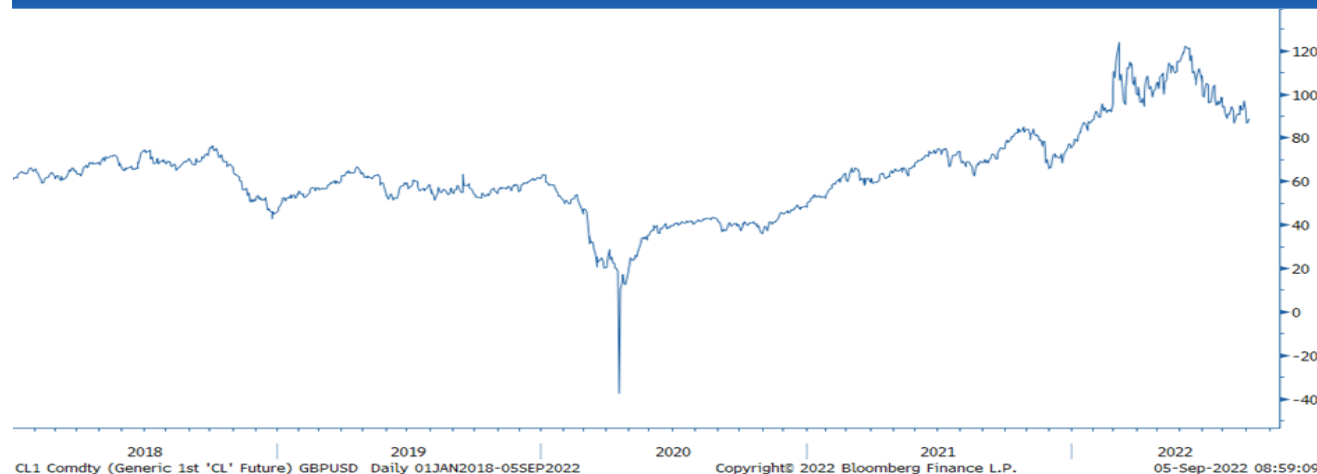
For the first time since December 2020 the EUR/USD falls below the 0.9900

For the first time since December 2020, the EUR/USD has broken through the critical support level of 0.9900, deepening its falls in the face of relentless US dollar demand. Despite Friday's mixed US labor market report, risk aversion supports the demand for the US dollar at the start of the week as a safe haven. Key support is seen at 0.9856 followed by 0.9814. On the flip side, a recovery move above 0.9921 could lead towards 0.9990.

Sell at 0.9920, TP 0.9860, SL 0.9950



Crude oil



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Sources: Bloomberg, Reuters, Bank of Mauritius