

Daily Market Report

2nd May 2024



FX Market Update

USD
The DXY is trading at the 105.693 level. Fed Chairman Powell noted that recent progress on inflation has halted, indicating a prolonged timeline to reach the central bank's 2% target. Sustained strong employment and stagnant inflation could justify postponing rate cuts.

EUR
EUR/USD is trading at the 1.0713 level, supported by positive market sentiment. The improved risk appetite follows dovish comments from Fed Chairman Powell, who downplayed the chance of further interest rate hikes after the Fed's decision to maintain rates at 5.25%-5.50%.

GBP
The GBP/USD is trading at the 1.2532 level. Market attention will be on Initial Jobless Claims for today.

ZAR
The USD/ZAR is trading at the 18.5667 level due to rising US Treasury bond yields.

JPY
The USD/JPY is trading at the 155.79 level. Market speculate a Japanese intervention to support the JPY for a second time this week. The wide US-Japan interest rate differential, coupled with a positive risk sentiment in US equity markets, may contribute to the weakening of the safe-haven JPY.

INR
The Indian Rupee stood at 83.43 against the USD vs 83.47 in the previous session.

MGA
The USD/MGA is trading at 4419.45 – 4466.11.

KES
The USD/KES is trading at 134.50 – 135.50.

Mauritian Market Highlights

On the 1st April 2024, the Bank of Mauritius intervened on the domestic foreign exchange market and sold a total amount of USD5.0 million at the rate of Rs46.40/USD.

Bond Buzz and Money Market news

US treasuries are trading higher this morning: The 10 Year US yield is trading at 4.622% vs 4.592% in the previous session.

Today's Data

Time	Data	Forecast	Previous	Importance
16:30	US Initial Jobless Claims	212K	207K	High

Data for yesterday

Time	Data	Actual	Forecast	Importance
16:15	US ADP Nonfarm Employment Change (Apr)	192K	179K	High
17:15	US S&P Global US Manufacturing PMI (Apr)	50.0	49.9	High
22:00	Fed Interest Rate Decision	5.50%	5.50%	High

CURRENCIES	Latest	Change
EUR/USD	1.0712	▲
GBP/USD	1.2530	▼
USD/ZAR	18.5850	▼
USD/JPY	155.7800	▼
USD/INR	83.4590	▼
USD/MGA	4420.27	▼
USD/KES	134.50	▬
USD/MUR	46.8800	▼
EUR/MUR	50.6730	▲
GBP/MUR	59.2590	▼
ZAR/MUR	2.5900	▲
INR/MUR	0.5733	▲
MGA/MUR	1.1200	▬

Equity	Latest	Change
DJIA	37,903.29	▼
NASDAQ	15,605.48	▼
FTSE100	8,121.24	▼
NIKKEI 225	38,231.74	▲
SEMDEX	2,149.12	▼

Commodities	Latest	Change
BRENT	84.06	▼
GOLD	2,318.71	▼
SILVER	26.57	▼
IIBOR	3 MONTHS	6 MONTHS
USD	5.33272	5.32645
EUR	3.825	3.795
DAILY SONIA (GBP)	5.1998	

Central Bank Rates

FED – Upper Bound	5.50%
BOE	5.25%
ECB	4.50%
BOM Repo	4.50%
RBI Repo	6.50%

Government of Mauritius Securities

91 days	3.92%
182 days	3.90%
364 days	4.08%
3 Year	5.02%
5 Year	5.22%
10 Year	5.68%

U.S Treasuries

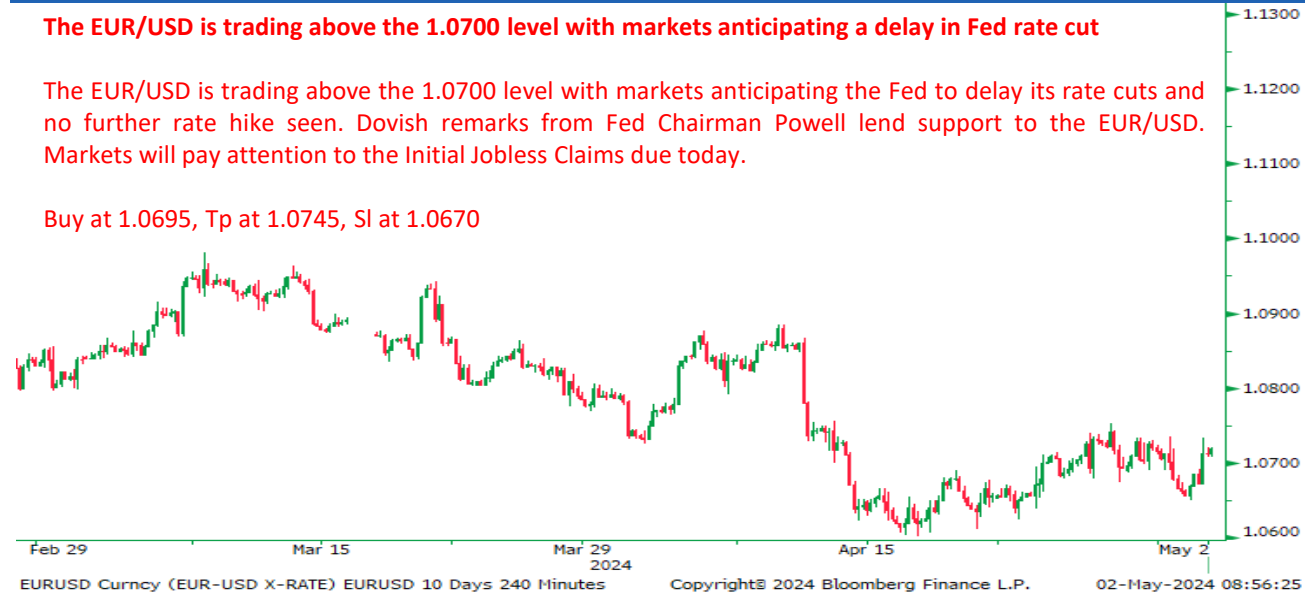
2 Year	4.952%
5 Year	4.632%
10 Year	4.614%

Trading Idea – EUR/USD Chart

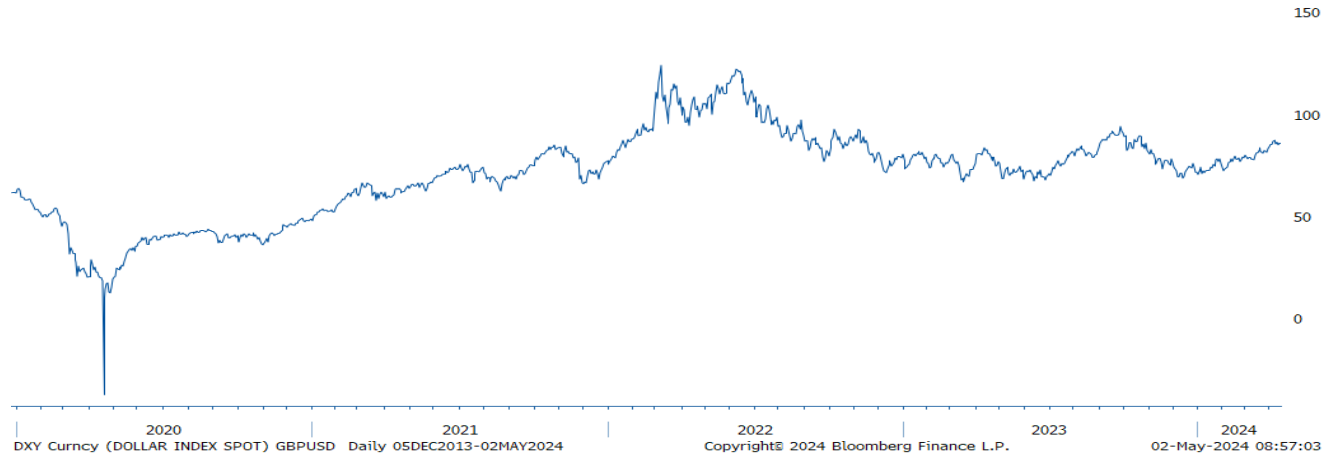
The EUR/USD is trading above the 1.0700 level with markets anticipating a delay in Fed rate cut

The EUR/USD is trading above the 1.0700 level with markets anticipating the Fed to delay its rate cuts and no further rate hike seen. Dovish remarks from Fed Chairman Powell lend support to the EUR/USD. Markets will pay attention to the Initial Jobless Claims due today.

Buy at 1.0695, Tp at 1.0745, Sl at 1.0670



Crude oil



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Sources: Bloomberg, Reuters, Bank of Mauritius