

DAILY EYE-OPENER

Stock Markets		
SEMDEX	2206.2	↓
SEMTRI	8157.6	↓
SEM10	426.6	↓
Nikkei	20751	↓
DAX	11022	↓
Dow Jones	25390	↓

FX Markets		
\$/Rs	34.33	↑
€/Rs	38.93	↑
£/Rs	44.45	↑
R/Rs	2.518	↓
¥/Rs	31.29	↑
€/ \$	1.1339	↓
£/ \$	1.2948	↑
\$/¥	109.71	↓
\$/R	13.63	↑

Commodity Markets		
Brent Oil	61.63	↓
Gold	1309.40	↓
Sugar	393.30	↑
Cattle	126.30	↓
Cotton	72.81	↓

Benchmark Rates		
Rs	3.50%	→
\$	2.50%	→
€	0.00%	→
£	0.75%	→
\$ 3M Libor	2.7376	→
\$ 6M Libor	2.7763	→

Domestic Markets

Central Bank Intervention!

Bank of Mauritius intervened on the domestic market yesterday, buying dollars from commercial banks at a bid rate of 34.30. As a result, USD/MUR opens 16 cents higher trading at 34.78 on the offer side, the highest since the start of this year.

A higher dollar on the domestic market sustains EUR/MUR trading 13 cents higher. However, on the international front, global trade tensions and domestic challenges in the Euro Zone has caused the European Commission to cut its' forecast for economic growth trading marginally lower around 1.1338 against the dollar.

GBP/MUR hikes by 27 cents following upward pressure from USD/MUR. However, the Cable dropped to 1.2948 against the dollar after Bank of England's monetary policy meeting held yesterday resulted in unchanged rates at 0.75%. Further, BOE's governor expressed concern over UK's economic growth and business investment expected to weaken.

The rand has backtracked more than 3% in the face of a resurgent dollar since last week's rally. The rand's ability to hold on to gains will likely be tested over the coming month.

Global Markets

Euro weakness on fading prospects of ECB rate hike!

The Euro turned flat at 1.1340 having extended its slide and reaching for a low at 1.1324. 1.1320 has become a good support for the pair, after it has visited and reversed a few pips higher. Sellers might still be in to drag the pair to 1.1300, but the dollar remains supported after Trump revealed he did not plan to meet Xi before the said deadline to achieve a trade deal. Meanwhile, traders are beginning to fear the EU Zone's slowing economic indicators may lead the ECB to do away with its tightening plans. All in all, the Fiber looks to close the week on a low note, and it could be accentuated if German exports data due today fade.

Gold held steady on worries that a prolonged trade war would worsen the global economic slowdown while oil fell slightly although supply cuts and sanctions against Venezuela provided some support.

Friday Auctions!

Today, the Bank of Mauritius will hold the auctions of 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 900 Mio as well as Bank of Mauritius Bills for the maturities of 91-Day and 182-Day for a nominal amount of MUR 2,000 Mio.

Economic Data Scheduled Today

Country	Data	Time	Prior	Expected	
Canada	Housing Starts (Jan)	17:15	213.4K	205.0K	↓
Canada	Unemployment Rate (Jan)	17:30	5.6%	5.7%	↑

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