

# Daily Market Report

28 Feb 2017

# SBM

## FX Market Update

**USD**

The dollar drifted today, with its earlier advance stopped by investors taking a wait-and-see tactic ahead of U.S. President Donald Trump's closely-watched Congressional address later in the day. The U.S. currency rose overnight after Trump sought a "historic" increase in military spending, sharpening dollar bulls' appetite before the president's speech to Congress.

**EUR**

The euro was flat at \$1.0586 having come off from a one-week high of \$1.0631 topped the previous day. A slight retreat in concerns towards the French presidential election has helped the common currency, which had sunk to a 1-1/2-month low of \$1.0494 last week.

**GBP**

Sterling hit a 12-day low against the dollar on Monday, as talk of another possible Scottish independence vote added to fears about Britain's future as it prepares to leave the European Union. Sterling has lost nearly a fifth of its value since Britain voted to leave the European Union in a referendum last June, with data demonstrating a mixed picture of the British economy.

**ZAR**

South Africa's rand firmed on Monday, shaking off a slow start to rise along other emerging currencies as investors closed dollar positions ahead of a speech by U.S. President Donald Trump projected to give clues on his fiscal policy.

**JPY**

The dollar was little changed at 112.660 yen after increasing 0.7 percent overnight, when it had earlier experienced an 18-day low of 111.920.

**INR**

INR has opened higher at 66.7500 as compared to Monday's close of 66.7100. Indian 10 year benchmark yield opened at 6.90% compared to Monday's close of 6.88%.

**MGA**

USD/MGA trading at 3075-3160 and Euro/MGA trading in the range 3260-3350 for the day. The local FX market is long to the tune of USD 13 M .

## Trading Idea

**SELL EUR AT 1.0618, TP AT 1.0572 ,SL AT 1.0648**

## Mauritian Market Highlights

- The average weighted yields for BOM Treasury Bills with maturities of 91,182 and 364 days for a nominal amount of MUR 2.0 bio yesterday were 2.45%, 2.49% and 2.61% respectively.

## Bond Buzz and Money Market news

Treasuries retreated as the market focused on the potential for President Donald Trump to rekindle expectations for fiscal stimulus after he promised a "big statement" on infrastructure spending in his Tuesday night address to a joint session of Congress. Heightened expectations for a March interest rate hike also added to the pressure on bonds. The two-year note yield is soaring 5.8bps to 1.20%. The 10-year bond yield is spiking 5.1bps to 2.363%.

Local Time	Data	Fore-cast	Prev.	Importance
13:30	USD Gross Domestic Product (Annualised)(4Qs)	2.1%	1.9%	High
15:00	USD Consumer Confidence	111	111.8	High
07:45	EUR French Gross Domestic Product (YoY) (4Q P)	1.1%	1.1%	MEDIUM

## Data from Yesterday

Local Time	Data	Actual	Fore-cast	Prev.
13:30	USD Durable Goods Orders (JAN P)	-0.2%	1.9%	-0.5%
23:50	JPY Industrial Production (MoM) (JAN P)	-0.8%	0.4%	0.7%
21:45	NZD Trade Balance (New Zealand dollars) (JAN)	-285m	-25m	-36m

Currency	Latest	Change
EUR/USD	1.0590	▲
GBP/USD	1.2438	▲
USD/ZAR	12.9888	▲
USD/JPY	112.52	▲
USD/INR	66.7450	▲
USD/MGA	2955	▼
USD/MUR	36.4050	▼
EUR/MUR	38.4220	▲
GBP/MUR	45.1210	▼
ZAR/MUR	2.8200	▼
INR/MUR	0.5475	▼
MGA/MUR	1.2900	▲
Equity		Change
DJIA	20837.44	▲
NASDAQ	5861.899	▲
FTSE100	7253	▲
NIKKEI 225	19220.85	▲
SEMDEX	1924.535	▼
Commodities		Change
BRENT	56.15	▼
GOLD	1253.55	▼
SILVER	18.3213	▼
LIBOR	3M	6M
USD	1.054	1.36072
EUR	-0.35143	-0.24714
GBP	0.35431	0.51213

### Central Bank Rates

FED	0.75%
BOE	0.25%
ECB	0.00%
BOM Repo	4.00%
RBI Repo	6.25%
BCM Repo	8.70%

### Government of Mauritius Securities

91 days	2.45%
182 days	2.49%
364 days	2.61%
3 Year	3.44%
5 Year	3.40%
10 Year	4.95%

### International Bond

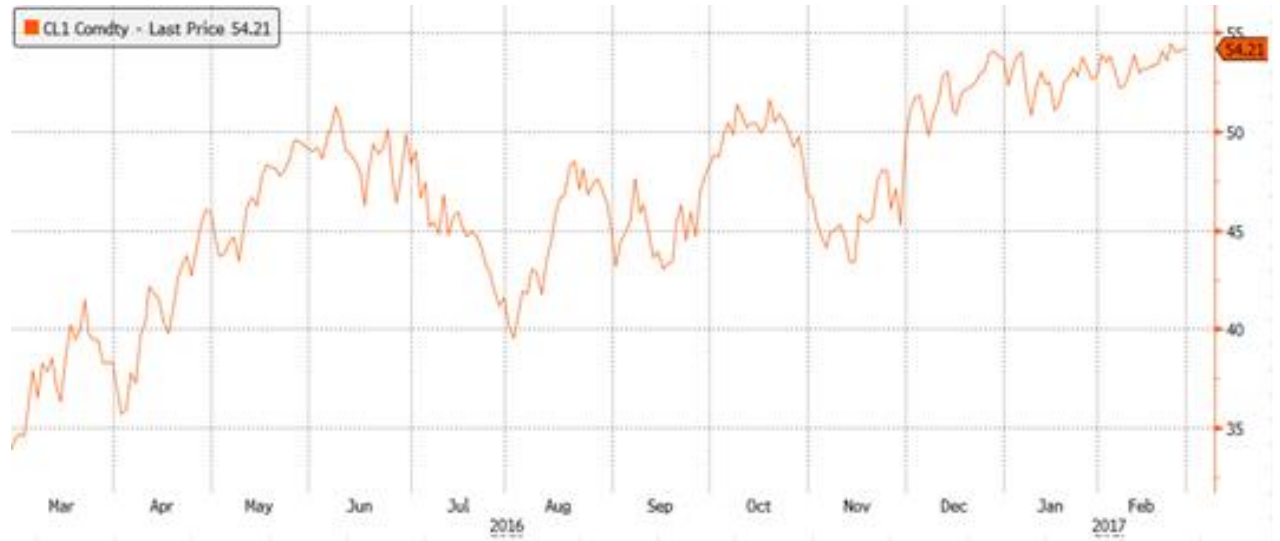
Vedanta Resources Plc mines and processes metals. The Company mines copper, aluminum, and zinc in India and Australia and operates refineries and smelters.

Vedanta Resources PLC USD Dollar Bond maturing on the 7th of June 2021 is trading at a yield of 5.60 % p.a.

### Bonds Ratings

Moody's	B3
S&P	B+
Fitch	B

### Crude oil



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Sources : Bloomberg, Reuters, Bank of Mauritius

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