

Daily Market Report

22nd October 2024



FX Market Update

USD The US Dollar Index is trading at the 103.92 level. As the November 5 U.S. election nears, investors are adjusting their positions. Chandler pointed out that a Trump victory could result in tariffs affecting key trade partners like Canada, Mexico, China, and Japan.

EUR The EUR/USD pair is currently trading at 1.0835 level. The ECB is cautious about persistent wage growth and services inflation, which pose upside risks to its inflation outlook. After three rate cuts this year, it's evident that rates are headed downward, with markets anticipating further cuts through March 2025.

GBP The GBP/USD pair is trading at 1.3001 level. The Bank of England is expected to support further borrowing cost cuts due to the significant drop in inflation and the monetary easing by major competitors, including the US Federal Reserve and the European Central Bank.

ZAR The USDZAR is trading at the 17.59 level. South African importers of low-value parcels will soon be required to pay value-added tax, according to the tax authority, as a temporary measure to protect the local clothing industry from international e-commerce competitors like Shein.

JPY The USD/JPY pair is trading at 150.59 level. The Japanese yen was significantly affected by doubts about U.S. interest rates and uncertainty over the Bank of Japan's ability to raise rates this year.

INR The Indian Rupee remained broadly unchanged at 84.0725 against the USD.

MGA The USD/MGA is trading at 4619.01.

KES The USD/KES is trading at the 128.50 – 129.50 level

Mauritian Market Highlights

On 21th October 2024, the Bank intervened on the domestic foreign exchange market and sold a total amount of USD20.0 million at the rate of Rs45.90/USD.

Bond Buzz and Money Market news

-Excess liquidity on the market stood at around MUR 37.5Bn as at 21 Oct 2024.

-The Benchmark 10-year Treasury yields rose to a 12-week high on Monday as investors priced for a more robust American economy and less dovish Federal Reserve. The Benchmark 10-year note yields rose 10.5 basis points to 4.18%, the highest since July 30. They crossed above their 200-day moving average at 4.17% for the first time since July 5.

Today's Data

Time	Data	Forecast	Previous	Importance
14:00	BRL BRICS Summit			
15:30	EUR ECB McCaul Speaks			

Data for yesterday

Time	Data	Forecast	Previous	Importance
18:00	USD : US Leading Index (MoM) (Sep)	-0.3%	-0.2%	
21:00	USD :FOMC Member Kashkari Speaks			

CURRENCIES	Latest	Change
EUR/USD	1.0835	▲
GBP/USD	1.3001	▼
USD/ZAR	17.5855	▼
USD/JPY	150.5900	▲
USD/INR	84.0725	▼
USD/MGA	4619.01	▲
USD/KES	129.50	■
USD/MUR	46.5200	▼
EUR/MUR	50.9800	▼
GBP/MUR	61.7700	▼
ZAR/MUR	2.8200	▲
INR/MUR	0.5645	▼
MGA/MUR	1.0700	▼
Equity		Change
DJIA	42931.6000	▼
NASDAQ	18540.01	▲
FTSE100	8,318.24	▼
NIKKEI 225	38,397.36	▼
SEMDEX	2,481.23	▲
Commodities		Change
BRENT	73.96	▲
GOLD	2,747.80	▲
SILVER	34.38	▲
IIBOR	3 MONTHS	6 MONTHS
USD	4.62626	4.43756
EUR	3.201	3.028
DAILY SONIA (GBP)	4.95	

Central Bank Rates

FED – Upper Bound	5.00%
BOE	5.00%
ECB	3.4%
BOM Repo	4.00%
RBI Repo	6.50%

Government of Mauritius Securities

	Bid	Ask
91 days	2.75%	2.60%
182 days	3.00%	2.85%
364 days	3.20%	3.05%
3 Year	3.80%	3.60%
5 Year	4.25%	4.00%
10 Year	4.75%	4.50%

U.S Treasuries

2 Year	4.04%
5 Year	4.00%
10 Year	4.21%

Trading Idea – EUR/USD Chart

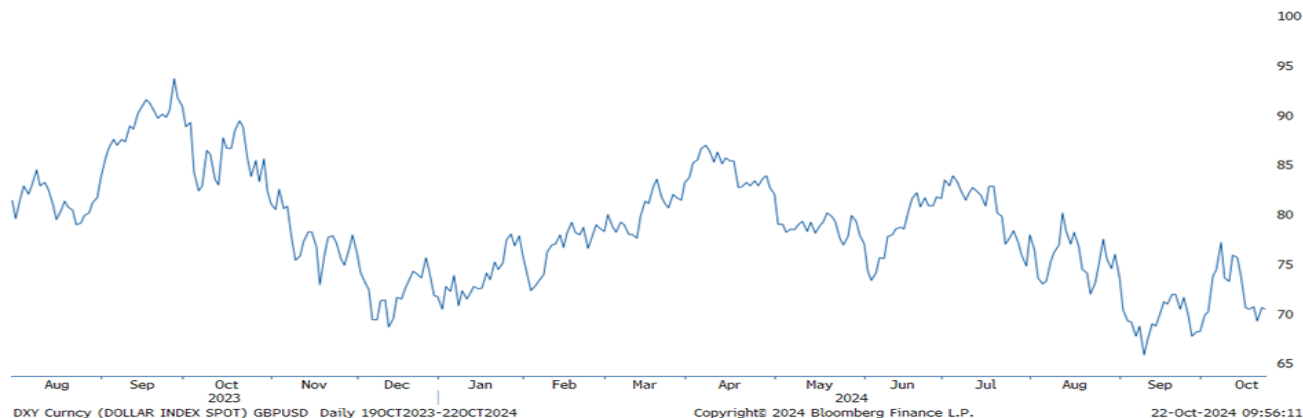
EUR/USD is oscillates in a range above 1.0800, not out of the woods yet. EUR/USD is seen consolidating the overnight fall to its lowest level since early August.

The EUR/USD is trading at around 1.0835 level. EUR/USD news and strategies from IG The euro has recovered against the dollar, though it remains under pressure.

Sell at 1.0850, TP at 1.0800, SL at 1.0875



Crude oil



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Sources: Bloomberg, Reuters, Bank of Mauritius