

Daily Market Commentary

MARKET UPDATE

The dollar remained not far from a 12 week low against the euro, which benefitted from a jump in euro zone economic sentiment to a 28 month high and a decline in German unemployment yesterday. The single currency touched 1.3107 yesterday and the next resistance is seen at 1.3125. Dollar bears think US second quarter GDP due at 12.30 GMT could provide a further opportunity to sell the currency after a raft of US economic data in the past month undershot market expectations. Economists forecast US growth to slow to 2.5 percent in the three months to June from 2.7 percent in the first quarter. The dollar was also coming under persistent selling pressure ahead of month end, on reports of rebalancing flows following strong performance in US equity markets in July.

Sterling rose to a five month high versus a weaker dollar yesterday, underpinned by recent UK data surprises. Traders said price action was positive for the pound with any dips well supported after it made a key technical break earlier in the week above its 200 day moving average.

Daily opening at 8.30 am Mauritian time today (4.30 GMT)

	Latest	Previous	% Change	high	low
EUR/USD	1.3067	1.3008	0.5%	1.3085	1.3048
GBP/USD	1.5614	1.5613	0.0%	1.5617	1.5599
USD/INR	46.4600	46.6600	-0.4%	46.6100	46.3300
USD/ZAR	7.3561	7.3497	0.1%	7.3600	7.3266
USD/JPY	86.3400	87.6900	-1.5%	86.9300	86.2600

Local FX Indicative Board Rates

	Buying	Selling	Previous (Selling)
EUR/MUR	38.64	40.48	40.46
GBP/MUR	46.30	48.38	48.56
JPY/MUR	34.45	36.00	35.76
ZAR/MUR	3.95	4.22	4.23
USD/MUR	29.50	30.90	31.00

Daily Commodities

Commodities	Latest \$
OIL (Light Crude)	78.10
GOLD	1,169.45
SILVER	17.60
PLATINUM	1,554.00

Equities

	Latest	Previous	% Change
Dow Jones Industrial	10,467	10,498	-0.29%
Nasdaq Composite	2,252	2,265	-0.57%
Nasdaq 100	1,860	1,873	-0.66%
FTSE 100 Index	5,314	5,320	-0.11%
Nikkei 225 Index	9,529	9,696	-1.72%
Hang Seng Index	20,982	21,094	-0.53%
BSE Sensex	17,957	17,992	-0.19%
Semdex	1,717	1,717	0.00%

Libor 29-Jul-10

	USD	GBP	EURO
1M	0.3116	0.5725	0.5863
3M	0.4656	0.7438	0.8334
4M	0.5319	0.8191	0.9109
6M	0.6777	1.0341	1.1106
12M	1.0504	1.4806	1.3910

Treasury & Capital Markets

Disclaimer & disclosures

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Mauritius Secondary Market			Treasury Auction Results			MUR repo Rate		
Residual Maturity	Band	Bid	Offer	Week ended	23-Jul-10	Effective rate	Rate	
2-30D	I	4.05	3.75	Tenor	Weighted Yield			
31-60D	II	4.1	3.8	91D	3.14%	2-Nov-08		9.00%
61-90D	III	4.2	3.9	182D	3.72%	26-Mar-08		8.50%
91-135D	IV	4.3	4	364D	4.11%	5-Feb-08		8.00%
136-180D	V	4.3	4	Bank rate	3.57%	21-Jul-08		8.25%
181-240D	VI	4.4	4.1	2 yr-TN (maturity)	4.99%	31-Oct-08		7.75%
241-300D	VII	4.45	4.15	3 yr-TN (maturity)	5.57%	12-Aug-08		6.75%
301-364D	VIII	4.5	4.2	4 yr-TN (maturity)	5.93%	21-Mar-09		5.75%
365-485D	IX	NA	NA	5 yr Bonds	8.73%			
				7 yr Bonds	9.44%			
486-606D	X	NA	NA	13 yr Bonds	10.37%			
607-728D	XI	NA	NA	20 yr Bonds	10.70%			
						M D Loan Stocks (13 March 2008)		
						Maturity/Coupon	Highest Yield	
						2013 / 10.00%	10.10%	
						2019 / 10.15%	10.65%	
						2026 / 10.30%	11.00%	
USD SWAP RATES				Issue	Highest yield			
1Y	0.843			23-Feb-07	12.85%			
2Y	1.238			20-Jun-07	13.25%			
5Y	2.445			26-Oct-07	11.55%			
10Y	3.404			27-Feb-08	10.02%			
15Y	3.788			23-Apr-08	9.12%			
20Y	3.940			18-Jun-08	8.75%			
30Y	4.053			27-Aug-08	9.45%			

Source: HSBC Reuters

Daily Calendar of Major Events

Date	GMT	location	Event
Today			

Key Interest Rates

Central Bank	Current rate	Last Change	Date of Change	Next Meeting
US Federal Reserve	0.25%	-75bp	16-Dec-08	10-Aug-10
Bank of England	0.50%	-50bp	5-Mar-09	5-Aug-10
European Central Bank	1.00%	-25bp	7-May-09	5-Aug-10

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