



The US dollar and Swiss Franc rose on Monday as investors sought safety after the U.S. and Israel bombed Iran, raising the risk of protracted conflict in the Middle East. The US Dollar index, which measures the value of the US dollar against six major currencies, hovered around 98.00, the Middle East tensions escalated. Oil prices are markets' initial top focus, and leapt around 9% early Monday on disruption to sea-borne trade.

The Swiss Franc climbed as much as 0.04% to \$0.7661, and shot 0.6% higher to its strongest since 2015 on the euro at €0.9030 in early Asian trade, before paring gains.

The Euro fell 0.3% to \$1.1784 on the potential for disruption to energy supply in Europe. Europe's natural gas storage refill season is about to begin and the EU is heading into it with record-low gas in storage, implying it will need to buy a large chunk of energy tight as prices potentially shoot higher.

The GBP/USD pair attracted some sellers to around \$1.3410 during the session on Monday following the escalating tensions in the Middle East after the recent U.S.-Israeli strikes on Iran. In addition, a landmark by-election loss for Labour Party in Gorton and Denton raises questions about PM K. Starmer's leadership. This, along with the BoE easing expectations, might contribute to the GBP's downside in the near term.

After a knee-jerk appreciation, the Japanese Yen weakened 0.2% to \$156.50 as traders digested the effect of the jump in energy prices on oil imports, while assessing what the conflict could mean for interest rates. With the rising uncertainty stemming from the developments of the situation in the Middle East, the BoJ is likely to adopt a more cautious stance, further reducing the probability of a near-term rate hike.

The risk-sensitive Australian dollar recouped on Monday most of its sharp early losses that were caused by a flight to safety after the military strikes on Iran. The Aussie dived as much as 1.2% in early Asian trade to \$0.7033, before steadying at \$0.7107, just down 0.1% for the day. It has gained for seven straight weeks, with the February high of \$0.7146 still the near-term resistance.

The Indian rupee opened weaker and fell to a one-month low on Monday after the sharp escalation in the Middle East conflict over the weekend. The Reserve Bank of India likely intervened in the foreign exchange market as the currency came under pressure due to a sharp rise in oil prices. The INR opened 25 paise lower at \$91.2462, and slipped to an intraday low of \$91.4025, its weakest level in about a month. It closed at \$90.9775 on Friday. The South African rand weakened in early trade on Monday as the ongoing conflict in the Middle East rattled investors and added to global economic uncertainty. At 0703GMT, the rand traded at \$16.16, about 1.4% down from its Friday close. Like other risk-sensitive currencies the rand often takes cues from global drivers.

Source: (Reuters)

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	46.07/46.97	54.03/55.64	61.60/63.45
1 MTH	46.08/46.98	54.04/55.65	61.61/63.46
3 MTH	46.09/46.99	54.05/55.66	61.62/63.47

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
3.79%	4.14%	4.43%

Source : Bank of Mauritius

CURRENCY QUOTES

CURRENCY	OPENING	OPENING LAST WEEK
EUR/USD	1.1785	1.1820
GBP/USD	1.34375	1.3518
USD/ZAR	16.0662	16.01815
USD/JPY	156.565	154.405

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP
O/N	3.67000	1.935	3.7286
1 MTH	3.66727	1.943	3.6587
3 MTH	3.66573	2.013	3.5657
6 MTH	3.61828	2.128	3.4938

LOCAL MARKET

Last week the USD/MUR traded within a range of 46.67/46.88, the EUR/MUR traded within a range of 55.45/55.59 and the GBP/MUR traded within a range of 63.42/63.74

Results of last week auctions held by the Bank of Mauritius

- On the 26th of February was held an auction of 182-Day and 364-Day Government of Mauritius Treasury Bills for a nominal amount of MUR 1,000.0 Million and MUR 1,500.0 Million respectively. Out of the 16 bids received (representing MUR 6,050.0 million), 10 were allocated as follows: 7 bids received for 182-Day for MUR 2,600.0 million and 3 allocated for the tender amount at a weighted average yield of 4.14%; 9 bids received for 364-Day for MUR 3,450.0 million and 7 allocated for the auction amount at a weighted average yield of 4.43%.

- On the 26th of February was also held an auction of 91-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 4,000.0 Million. Out of the 5 bids received (representing MUR 5,100.0 million), only 1 was accepted for the auction amount at a weighted average yield of 3.79%.



THIS WEEK MAJOR ECONOMIC INDICATORS (GMT Time)

02 Mar	19:00	USD	ISM Manufacturing PMI
03 Mar	14:00	EUR	Core Harmonized Index of Consumer Prices
04 Mar	04:30	AUD	G.D.P.
04 Mar	14:00	EUR	Producer Price Index / Unemployment Rate
04 Mar	17:15	USD	ADP Employment Change
04 Mar	19:00	USD	ISM Services PMI
05 Mar	14:00	EUR	Retail Sales
05 Mar	17:30	USD	Weekly Jobless Claims
06 Mar	14:00	EUR	G.D.P.
06 Mar	17:30	USD	Nonfarm Payrolls / Average Hourly Earnings / Unemployment Rate

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