

Weekly Market Update

05 January 2026

**BCP BANK
(MAURITIUS)**



The US dollar started the first full trading week of the New Year on the front foot amid renewed geopolitical risks after the US captured Venezuelan President N. Maduro. In addition, currency traders are largely focusing on a slate of U.S. macro-economic indicators due this week that could be crucial in steering Federal Reserve policy. The data rollout this week begins with ISM manufacturing figures today, and culminates with the monthly non-farm payrolls on Friday. Traders currently expect two U.S. rate cuts this year.

The Euro extended its losses below \$1.1700 in early trade on Monday as the US dollar strengthened on safe-haven demand. It, however, could find support as monetary policy paths diverge between the ECB and the Fed. The ECB kept interest rates unchanged in December 2025, and signalled they are likely to remain on hold for an extended period.

The Pound Sterling kicked off the new week on a weaker note as the rising geopolitical tensions boosted the USD. The divergent Fed and BoE policy expectations lend some support to spot prices and help limit losses.

The Japanese Yen extended its descending trend against the broadly firmer US dollar for the fourth straight day, and dropped to a nearly two-week low around \$157.15 on Monday morning. The Bank of Japan's cautious stance on further policy tightening and the lack of a clear timeline for future rate hikes continue to undermine the JPY. However, speculations that Japanese authorities would step in to stem further weakness in the domestic currency warrant some caution for aggressive JPY bears.

The Australian dollar dropped below \$0.6700 following the release of poor Chinese Services Purchasing Managers' Index data on Monday morning, which declined to 52.00 in December from 52.1 in November. Added to the broad US dollar strength on safe-haven demand amid renewed geopolitical risks, the Aussie was last trading at \$0.6675. It could, however, gain support as expectations build for interest rate hikes by the Reserve Bank of Australia. Traders await Australia's Q4 CPI report due of January 28, with analysts noting that a stronger-than-expected core inflation reading could prompt a rate hike at the RBA's meeting on February 3.

The Indian Rupee inched lower on Monday, pressured by heavy corporate demand for US dollars at the Reserve Bank of India's preference rate and weakness in Asian currencies. The Rupee was last quoted at \$90.2425, having settled at \$90.1975 on Friday. The currency is headed for its ninth decline in ten sessions, falling from \$89.25 to near current levels.

The South African rand was steady in early trade on Monday, as investors considered the implications of U.S. military action in Venezuela, escalating geopolitical tensions and lifting safe-haven demand. At 0657GMT, the rand traded at 0657GMT, the rand traded at \$16.5050, a whisker away from Friday's closing level of \$16.5075. So far, the rand has not responded negatively to this weekend's news.

Source: (Reuters)

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	46.04/46.94	53.52/55.12	61.51/63.35
1 MTH	46.05/46.95	53.53/55.13	61.52/63.36
3 MTH	46.06/46.96	53.54/55.14	61.53/63.37

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
4.16%	4.48%	4.82%

Source : Bank of Mauritius

CURRENCY QUOTES

CURRENCY	OPENING	OPENING LAST WEEK
EUR/USD	1.1682	1.1764
GBP/USD	1.3425	1.34935
USD/ZAR	16.53375	16.67515
USD/JPY	157.275	156.38

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP
O/N	3.75000	1.921	3.7257
1 MTH	3.68243	1.953	3.7353
3 MTH	3.64977	2.029	3.7138
6 MTH	3.57762	2.105	3.6415

LOCAL MARKET

Last week the USD/MUR traded within a range of 46.50/46.67, the EUR/MUR traded within a range of 55.01/55.06 and the GBP/MUR traded within a range of 63.10/63.15

Results of last week auctions held by the Bank of Mauritius

There were no auctions last week.



THIS WEEK MAJOR ECONOMIC INDICATORS (GMT Time)

05 Jan	13:30	EUR	Sentix Investor Confidence
05 Jan	19:00	USD	ISM Manufacturing PMI
06 Jan	17:00	GER	Harmonized Index of Consumer Prices
07 Jan	04:30	AUD	C.P.I.
07 Jan	14:00	EUR	Harmonized Index of Consumer Prices
07 Jan	19:00	USD	ISM Services PMI
08 Jan	14:00	EUR	Consumer Confidence / Business Climate
08 Jan	17:30	USD	Weekly Jobless Claims
09 Jan	14:00	EUR	Retail Sales
09 Jan	17:30	USD	Nonfarm Payrolls / Unemployment Rate / Average Hourly Earnings
09 Jan	19:00	USD	Michigan Consumer Sentiment Index

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