



The U.S. dollar steadied near a two-week low on Monday as investors scaled back bets on a Federal Reserve rate hike this year. The greenback actually clocked its biggest drop last week since April after the U.S. payrolls report showed job growth slowed sharply in June. The recent declining oil prices have helped ease some of the inflationary concerns, with investor focus this week on the minutes of the Fed's June meeting to help gauge policymakers' thinking around the rates outlook.

The Euro kicked off the new week on a subdued note and oscillated in a narrow band below mid-1.1400s. Spot prices, however, remained within striking distance of a nearly two-week high touched last Thursday amid mixed fundamental cues. Meanwhile, recent softer Eurozone inflation data forced investors to reduce bets on further ECB rate hikes, warranting caution for aggressive bulls.

The Pound Sterling struggled to capitalize on last week's strong move higher and is currently oscillating in a narrow band, around the \$1.3350 area. The GBP had also benefited from commitment from Andy Burnham (the frontrunner to succeed K. Starmer as UK Prime Minister) to adhere to strict borrowing rules. The GBP bulls, however, seem hesitant as mixed UK PMI's last week pointed to a significant economic slowdown, led by dominant services sector. This could cap the cable pair as traders now look to the UK Construction PMI.

The Japanese yen was last trading at \$161.57, just off the 1986 low of \$162.84 it touched last week, as traders remain nervous about a possible intervention after a sudden surge in buying briefly lifted the currency on Thursday. However, analysts doubt any move by Tokyo would deliver lasting support without a meaningful shift in underlying macro fundamentals.

The Australian dollar eased 0.1% to \$0.6929 this morning, having climbed 0.7% last week to end a four-week losing streak. Markets are wagering the RBA is mostly done after three rate rises this year to 4.35%, with just 10 basis points of tightening priced in for the rest of the year.

The Indian rupee tracked regional currencies lower on Monday, while dollar demand from local oil companies and related to maturing contracts in the non-deliverable forward market also added pressure on the local unit. The INR touched a three-week low of \$95.4150 and was down 0.2% on the day.

The South African rand weakened slightly in early trade on Monday, as the US dollar held near a two-week low with investors paring back Federal Reserve hike bets and oil prices slipping after OPEC+ agreed to raise output targets. At 0623GMT, the rand traded around \$16.2525, about 0.2% weaker than its previous close. South Africa-focused investors' attention will be on manufacturing data due on Thursday for cues on the health of Africa's most industrialized economy.

Source: (Reuters)

### INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
<b>SPOT</b>	46.41/47.79	53.07/54.65	61.92/63.77
<b>1 MTH</b>	46.42/47.80	53.08/54.66	61.93/63.78
<b>3 MTH</b>	46.43/47.81	53.09/54.67	61.94/63.79

Source: BCP Bank (Mauritius) Ltd.

### LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
4.02%	4.25%	4.48%

Source : Bank of Mauritius

### CURRENCY QUOTES

CURRENCY	OPENING	OPENING LAST WEEK
<b>EUR/USD</b>	1.1432	1.1383
<b>GBP/USD</b>	1.3342	1.31995
<b>USD/ZAR</b>	16.2479	16.4760
<b>USD/JPY</b>	161.94	161.815

### INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP
<b>O/N</b>	3.62000	2.183	3.7305
<b>1 MTH</b>	3.66738	2.205	3.7393
<b>3 MTH</b>	3.75202	2.321	3.7678
<b>6 MTH</b>	3.87192	2.554	3.8351

## LOCAL MARKET

Last week the USD/MUR traded within a range of 47.75/47.97, the EUR/MUR traded within a range of 54.58/54.68 and the GBP/MUR traded within a range of 63.28/63.84

### Results of last week auctions held by the Bank of Mauritius

- On the 02nd of July 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 21 bids received (representing MUR 7,100.0 million), 8 bids were allocated as follows: 11 bids received for 182-Day for MUR 3,100.0 million and 5 were allocated for the tender amount at a weighted average yield of 4.25%; 10 bids received for 364-Day for MUR 4,000.0 million and 3 were allocated for the tender amount at a weighted average yield of 4.48%.

- On the 02nd of July was also held an auction of 91-Day Bank of Mauritius Bills for a nominal amount of MUR 4,000.0 Million. 9 bids (representing MUR 4,900.0 million) were received, and all were accepted for the tender amount at a weighted average yield of 4.02%.

