



The US Dollar climbed in early trade on Monday on sighs that talks between the United States and Iran were deadlocked, leaving the vital Strait of Hormuz all but shut and sending oil prices higher. President D. Trump on Sunday rejected Iran's response to a U.S. proposal for peace talks to end the war, saying Tehran's demands were 'totally unacceptable'. The greenback also found support from the U.S. jobs report released on Friday that showed non-farm payrolls increased 115,000 in April, almost twice as fast as expected. The figures reinforced expectations the Federal Reserve would keep interest rates unchanged for some time.

The Euro held losses around \$1.1750 as the US dollar strengthened on risk aversion. It, however, may gain ground due to the hawkish tone surrounding the European Central Bank policy outlook. Market players expect a 25 basis point hike at the June meeting, with a total of three hikes anticipated by the end of 2026.

The Pound Sterling is struggling to capitalize on its modest intraday bounce and remains below the \$1.3600 mark at the start of the new week amid the emergence of some US dollar buying. However, the Bank of England's signal that rates could be appropriate if inflation remains persistent, along with easing concerns over UK PM K. Starmer's position. This continues to act as a tailwind for the Cable pair and warrants some caution before positioning for any meaningful downfall.

The Japanese Yen softened to around \$157.15 in Monday's early European session as the Middle East tensions have risen after D. Trump rejected the new Iran peace offer. However, persistent intervention threats from Japanese authorities might cap the JPY downside. Japanese officials reportedly intervened in the currency market again the Golden Week. Markets estimated the cost of these additional moves at approximately JPY 4 to 5 trillion.

The Australian dollar slipped 0.2% to \$0.7230 this morning as the U.S.-Iran peace talks remained unresolved. The Reserve Bank of Australia raised its Official Cash Rate to 4.35% last week, matching its December 2024 peak, as inflation remains elevated. This marks the third consecutive rate hike this year. According to the statement, the RBA said inflation had picked up materially in the second half of 2025, with the conflict in the Middle East pushing up fuel and commodity prices. The RBA also signaled that more hikes were on the horizon, with its economic forecasts penciling in a 4.70% policy rate by the end of 2026, with no cuts expected until 2028.

A jump in oil prices and Indian PM N. Modi's urging of citizens to conserve foreign exchange spooked currency traders on Monday, sending the INR past 95 per dollar. Traders pointed to dollar sales from state-run banks that were likely on the RBI's behalf, intended to cushion the rupee's decline.

South Africa's rand weakened in early trade today as higher oil prices, driven by stalled U.S.-Iran negotiations, raised concerns that inflationary pressures may keep interest rates higher for longer. At 0640GMT, the rand traded at \$16.4626, about .6% down from its previous close.

Source: (Reuters)

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	46.05/47.43	54.13/55.74	62.56/64.43
1 MTH	46.06/47.44	54.14/55.75	62.57/64.44
3 MTH	46.07/47.45	54.15/55.76	62.58/64.45

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
3.99%	4.15%	4.45%

Source : Bank of Mauritius

CURRENCY QUOTES

CURRENCY	OPENING	OPENING LAST WEEK
EUR/USD	1.1753	1.1728
GBP/USD	1.3584	1.35865
USD/ZAR	16.4477	16.6198
USD/JPY	157.11	156.755

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP
O/N	3.60000	1.930	3.7299
1 MTH	3.63229	1.967	3.7375
3 MTH	3.64329	2.234	3.8210
6 MTH	3.65770	2.472	3.9775

LOCAL MARKET

Last week the USD/MUR traded within a range of 47.41/47.65, the EUR/MUR traded within a range of 55.66/55.77 and the GBP/MUR traded within a range of 64.41/64.54

Results of last week auctions held by the Bank of Mauritius

- On the 07th of May 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 6,900.0 million), 3 bids were allocated for each tenor 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 4.15%; 9 bids received for 364-Day for MUR 4,300.0 million and again 3 were allocated for the tender amount at a weighted average yield of 4.45%.

- On the 07th of May was also held an auction of 91-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 4,000.0 Million. 16 bids (representing MUR 8,850.0 million) were received, and 3 were accepted for the tender amount at a weighted average yield of 3.99%.



THIS WEEK MAJOR ECONOMIC INDICATORS (GMT Time)

12 May	10:00	GER	Harmonized Index of Consumer Prices
12 May	13:00	EUR	ZEW Survey – Economic Sentiment
12 May	16:30	USD	Consumer Price Index
13 May	16:30	USD	Producer Price Index
14 May	10:00	GBP	G.D.P.
14 May	16:30	USD	Weekly Jobless Claims / Retail Sales

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