



The U.S. dollar wobbled on Monday as wavering hopes of a deal to end the Middle East war left investors on edge in a week when they will also be looking for direction from central bank policymakers on the impact of the conflict. U.S. President Donald Trump scrapped a visit to Islamabad by his envoys over the weekend, saying Iran could reach out if it wanted to negotiate an end to the two-month war, leaving the pivotal Strait of Hormuz effectively closed. But sentiment got a lift after Axios reported, citing sources, that Iran offered the U.S. a new proposal through Pakistani mediators on reopening the waterway and ending the war, with nuclear negotiations postponed for a later stage. The euro EUR cut earlier losses to trade flat at \$1.1726, while sterling GBP bought \$1.3544, also pulling back a bit. The dollar index USD, which measures the U.S. currency against six major peers, was at 98.465, down 0.18%. The dollar benefited in March from safe-haven flows as the war erupted but shed most of those gains on hopes of a peace deal this month. It has steadied in recent days after U.S.-Iran talks stalled. Although a ceasefire has paused full-scale fighting in the conflict, which began with U.S.-Israeli strikes on Iran on February 28, no agreement has been reached to end the war, keeping shipping through the Strait of Hormuz at a standstill. The war has sent oil prices surging, fuelled inflation and cast a shadow over the outlook for global growth, with the closure of the strait, which normally carries a fifth of global oil and gas shipments, a key risk. Brent crude futures LCOc1 were up 1% at \$107.20 a barrel and U.S. West Texas Intermediate CLc1 at \$95.80 a barrel, up 1.5% on Monday. Investors will be watching several central bank meetings this week to gauge the impact of the war on prices and rate outlooks, with the Bank of Japan expected to keep rates steady on Tuesday but signal its readiness to hike as soon as June. Unlike last year when higher U.S. tariffs forced a pause in its rate-hike cycle, the BOJ will stress its resolve to keep raising rates as the energy shock risks fuelling broad-based inflation, sources familiar with its thinking told Reuters. The Japanese yen JPY=was steady at 159.26 per U.S. dollar, just shy of the crucial 160 level that traders worry could prompt Tokyo to intervene in the currency markets. The yen has been stuck in the 159 range since early March as investors assess the impact of the oil shock on energy-import-dependent Japan and the BOJ's tightening trajectory. The Federal Reserve, the European Central Bank and the Bank of England are all widely expected to hold rates steady this week, with markets looking for policymakers' views about the war's impact on the economy and the path for interest rates.

The Iranian foreign minister, meanwhile, shuttled to and from mediators Pakistan and Oman on Sunday before flying to Russia, with Tehran and Washington still seemingly far apart on issues.

Two months of the conflict have rattled global markets, stoked growth and inflation risks for economies worldwide, with net energy importers like India especially hard hit. The war has also pegged back the rupee by about 3.3%, with market interventions and regulatory curbs by the central bank helping avert steeper losses. The rupee was at 94.1650 per dollar, as of 10:30 a.m. IST, a tad stronger than its close at 94.2475 in the previous session. On Monday, state-run banks were spotted offering dollars. The activity also sparked broader dollar-selling interest in the market. Analysts expect the rupee to stay on the back foot for as long as oil prices remain elevated. Market indicators also point in the same direction, with the 1-month 25 delta dollar-rupee risk reversal hovering around 0.7-0.8, signalling a preference for options that wager on rupee weakness versus those that benefit from its rise.

Source: (Reuters)

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	45.96/46.86	53.78/55.39	61.76/63.61
1 MTH	45.97/46.87	53.79/55.40	61.77/63.62
3 MTH	45.98/46.88	53.80/55.41	61.78/63.63

Source: BCP Bank (Mauritius) Ltd.

LATEST WEIGHTED TREASURY BILLS YIELDS

91 DAYS	182 DAYS	364 DAYS
4.15%	4.22%	4.52%

Source : Bank of Mauritius

CURRENCY QUOTES

CURRENCY	OPENING	OPENING LAST WEEK
EUR/USD	1.1727	1.1783
GBP/USD	1.3541	1.35225
USD/ZAR	16.515	16.40725
USD/JPY	159.235	159.48

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP
O/N	3.67000	1.932	3.7301
1 MTH	3.65719	1.996	3.7458
3 MTH	3.67214	2.204	3.7907
6 MTH	3.68196	2.415	3.9032

LOCAL MARKET

Last week the USD/MUR traded within a range of 46.81/47.31, the EUR/MUR traded within a range of 55.39/55.55 and the GBP/MUR traded within a range of 63.60/64.04

Results of last week auctions held by the Bank of Mauritius

- On the 23rd of April 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 each. Out of the 15 bids received (representing MUR 5,500.0 million), only 1 bid was allocated for each tenor as follows: 7 bids received for 182-Day for MUR 2,800.0 million and 1 allocated for the tender amount at a weighted average yield of 4.22%; 8 bids received for 364-Day for MUR 2,700.0 million and again only 1 was allocated for the tender amount at a weighted average yield of 4.52%.

- On the 23rd of April was also held an auction of 91-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 3,000.0 Million. 15 bids (representing MUR 6,750.0 million) were received, and 10 were accepted for the tender amount at a weighted average yield of 4.15%.



THIS WEEK MAJOR ECONOMIC INDICATORS (GMT Time)

28 Apr	N/A	JPY	BoJ Interest Rate Decision / BoJ Monetary Policy Statement
28 Apr	10:30	JPY	BoJ Press Conference
28 Apr	18:00	USD	Consumer Confidence
29 Apr	22:00	USD	Fed Interest Rate Decision / Fed Monetary Policy Statement
29 Apr	22:30	USD	FOMC Press Conference
30 Apr	13:00	EUR	Harmonized Index of Consumer Prices
30 Apr	15:00	GBP	BoE Interest Rate Decision/BoE Minutes
30 Apr	15:30	GBP	BoE's Governor Bailey speech
30 Apr	16:15	EUR	ECB Rate Decision / ECB Monetary Policy Statement
30 Apr	16:30	USD	Weekly Jobless Claims
30 Apr	16:45	USD	ECB Press Conference

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