

The US Dollar edged up 0.05% against a basket of six major currencies this morning, but remained under pressure amid expectations of further rate cuts by the Fed. The dollar index is down more than 9% so far in 2025 and is on track for its steepest annual decline since 2017. Traders are now likely to observe the FOMC December meeting Minutes due on Tuesday.

The Euro lost ground for the fourth consecutive session, trading around 1.1760 in early trade on Monday. The Euro could find support as signals suggest the ECB's rate-cutting cycle has ended.

The Pound Sterling was trading higher around \$1.3510 in early trade on Monday as the US dollar faces challenges which could be attributed to growing expectations of two more rate cuts by the Fed in 2026. The Bank of England, on the other hand, lowered the policy rate by 25 bps to 3.75% in December, with a close 5-4 vote highlighting persistent inflation concerns. While inflation cooled to 3.2% in November, it remains well above the BoE's 2% target. BoE Governor A. Bailey signalled that interest rates are expected to ease in a gradual manner, but cautioned that the scope for additional cuts is limited as rates approach their neutral level. Any moves beyond the latest cut are likely to be finely balanced and strongly driven by incoming data.

The Japanese yen recovered some ground on Monday following a steep drop at the end of last week as markets weighed the timing of more interest rate hikes in Japan and the possibility of intervention in thin end-of-year trading. The JPY strengthened 0.3% to \$156.13 after a 0.5% slide on Friday.

The Australian dollar reached a 14-month high of \$0.6727 on Monday. The Aussie strengthened as it found support amid growing expectations of interest rate hikes from the Reserve Bank of Australia. Strong commodity prices also underpinned its near-term outlook.

The Indian Rupee opened mildly lower at the start of the last week of 2025. The USD/INR ticked up to near 90.35 amid strong demand for US Dollars by Indian importers in both onshore and offshore markets, following the sell-off that came in the middle of December due to the Reserve Bank of India's intervention. The RBI sold US Dollars heavily in both spot and Non-Deliverable Forward markets to cushion the INR after it slid to its record lows around \$91.55.

The South African rand softened in early trade on Monday as investors booked profits from a precious metals rally. At 0740GMT, the rand traded at \$16.7025, down about 0.3% from its previous close.

Source: (Reuters)

INDICATIVE SPOT AND FORWARD MUR RATES

	USD	EUR	GBP
SPOT	45.62/46.52	53.41/55.01	61.26/63.10
1 MTH	45.63/46.53	53.42/55.02	61.27/63.11
3 MTH	45.64/46.54	53.43/55.03	61.28/63.12

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	1.1764	1.1721
GBP/USD	1.34935	1.3400
USD/ZAR	16.67515	16.7248
USD/JPY	156.38	157.32

INDICATIVE USDSOFR, EURIBOR & SONIA RATES

	USD	EUR	GBP
O/N	3.66000	1.925	3.7248
1 MTH	3.72141	1.884	3.7354
3 MTH	3.68558	2.018	3.7273
6 MTH	3.61504	2.119	3.6610

LOCAL MARKET

Last week the USD/MUR traded within a range of 46.41/46.60, the EUR/MUR traded within a range of 54.90/55.01 and the GBP/MUR traded within a range of 62.77/63.04

Results of last week auctions held by the Bank of Mauritius

- On the 24th of December was held an auction of 91-Day, 182-Day and 364-Day Bank of Mauritius Treasury Bills for a nominal amount of MUR 1,000.0 million for each tenor. Out of the 10 bids received (representing MUR 6,000.0 million), 3 were allocated as follows: 3 bids received for 91-Day for MUR 1,600.0 million and 1 bid was allocated for the auction amount at a weighted average yield of 4.16%; 4 bids received for 182-Day for MUR 2,100.0 million and 1 bid was accepted for the auction amount at a weighted yield of 4.48%; finally, 3 bids received for 364-Day for MUR 2,300.0 million and 1 was allocated for the auction amount at a weighted average yield of 4.82%.

THIS WEEK MAJOR ECONOMIC INDICATORS (GMT Time)

30 Dec	23:00	USD	FOMC Minutes
31 Dec	17:30	USD	Weekly Jobless Claims
02 Jan	13:00	EUR	HCOB Manufacturing PMI
02 Jan	19:00	USD	S&P Global Manufacturing PMI

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