

Market Highlights

- The US dollar maintained a weak bias as risks from rising coronavirus cases offset strong economic data and kept a lid on confidence in an economic recovery from the Covid-19 pandemic.
- The pound sterling trod water following survey that showed British construction companies returned to growth in June for the first time since the coronavirus lockdown began
- The Australian dollar steadied after the Central Bank held the country's benchmark interest rate at a record low 0.25%, as expected, and said it would maintain its accommodative approach for as long as required.
- The Canadian dollar was little changed against its U.S. counterpart on the last trading session after a Bank of Canada business survey showed widespread negative sentiment, with currency investors looking for evidence of a faster rebound in economic growth.
- The rand firmed on the back of a broad recovery in risk appetite on growing expectations of a strong Chinese economic rebound.

Term of the Day: What is a Credit Default Swap (CDS)?

A credit default swap (CDS) is a financial derivative or contract that allows an investor to "swap" or offset his or her credit risk with that of another investor. For example, if a lender is worried that a borrower is going to default on a loan, the lender could use a CDS to offset or swap that risk. To swap the risk of default, the lender buys a CDS from another investor who agrees to reimburse the lender in the case the borrower defaults. Most CDS will require an ongoing premium payment to maintain the contract, which is like an insurance policy.

Today Economic Calendar:

Country	Indicators	Poll	Prior
10.45 EU	Balance of trade	n/a	n/a
12.30 UK	Labour Productivity	n/a	0.3%
17.00 US	Fed Bostic Speech	n/a	n/a

Equities Market

Indices	Last	Previous	% Change
DOW JONES	26,287.03	25,827.36	1.78%
FTSE	6,285.94	6,157.30	2.09%
NIKKEI	22,614.69	22,714.44	-0.44%
NASDAQ	10,433.65	10,207.63	2.21%
SEM	1,660.95	1,661.65	-0.04%

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Local Securities:

The Bank of Mauritius has accepted the following bid on Friday:

Tenor	Amount(mio)	Yield	Coupon
3-Yr BoM Notes	2,250.00	1.70%	1.60%

Govt of Mauritius Securities

Tbills/Govt Bonds	Actual	Previous
28 - Day	1.82%	2.00%
91 - Day	0.91%	1.33%
182 - Day	0.90%	0.54%
364 - Day	1.04%	0.60%
3 -Year	1.94%	3.15%
5 - Year	1.80%	1.35%
10 - Year	2.02%	4.20%
15 - Year	3.79%	5.02%
20 - Year	3.17%	5.39%

Market Currency

Currency	Actual	Previous
EUR - USD	1.1310	1.1284
GBP - USD	1.2503	1.2492
USD - JPY	107.35	107.67
USD - ZAR	16.9911	16.9478
USD - MUR	40.300	40.300
EUR - MUR	45.679	45.575
GBP - MUR	50.487	50.443
ZAR - MUR	2.415	2.421

We will be pleased to assist you, should you require any further information:

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