

Market Highlights

- The U.S dollar weakened against the euro on softer-than-expected U.S growth data, even as Treasury yields rose on a hotter-than-expected inflation indicator.
- According to figures released yesterday, U.S first-quarter GDP increased at 1.6% rate while consumer spending slowed and U.S trade deficit has widened. The core PCE inflation has accelerated to 3.7% and the weekly jobless claims fell 5,000 to 207,000. Market will be watching the US PCE Price Index figures for March later today.
- The Pound sterling traded higher as investors' confidence in the UK economy's outlook improved after the preliminary PMI report from S&P Global/CIPS for April showed that new business volumes increased across the private sector. The agency also reported that the rate of growth of overall activity was the strongest since May 2023.
- The Australian dollar gained momentum on the back of rising yields in Australian government bonds, with the 10-year yield hitting a 21-week high of 4.59% and following the TD Securities indication to delay rate cut until February 2025 instead of November by the Reserve Bank of Australia (RBA).
- The Canadian dollar was up, supported by a rebound in crude oil prices.
- The South African rand is currently trading around the 19.0125/\$ level, after data from Statistics South Africa showed that the country's producer inflation rose slightly to 4.6% year on year in March from 4.5% in February.
- The Japanese yen is still on the back foot, trading beyond the 156.00/\$ mark, after the Bank of Japan has decided this morning to leave its interest rates unchanged, keeping traders on edge as to when and to what degree Japanese authorities may intervene. Japanese Finance Minister, Shunichi Suzuki, stated that they were closely monitoring FX movement and are ready to act accordingly if needs be.
- Oil prices gained after the U.S Treasury secretary comments of a strong U.S economy, amid tight supply and persistent Middle East unrest.

Term of the Day: Growing-Equity Mortgage (GEM)

A growing-equity mortgage (GEM) is a type of fixed-rate mortgage where monthly payments increase over time according to a set schedule, rather than remaining fixed and equal over the loan term. The interest rate on the loan does not change, and there is never any negative amortization. Instead, the first payment is a fully-amortizing payment and as the payment amount increases over time, the additional amount beyond what would be a fully amortizing payment is applied directly to the remaining mortgage principal, shortening the life of the loan and increasing overall interest savings.

Source: Investopedia

Local Securities:

The Bank of Mauritius has accepted the following bid yesterday:

Tenor	BOM/GOM	Amount (Mio)	Yield	Settlement
182-D	GOM	1,500.00	3.90%	25-Apr-24
364-D	GOM	2,050.00	4.08%	25-Apr-24

Govt of Mauritius Securities

Date	Tbills/Govt Bonds	Actual	Previous
19-Apr-24	7 - Day	4.50%	4.50%
12-Apr-24	91 - Day	3.18%	3.20%
25-Apr-24	182 - Day	3.90%	3.77%
25-Apr-24	364 - Day	4.08%	4.05%
9-Feb-24	2-Year	3.91%	3.88%
24-Apr-24	3 -Year	5.02%	4.92%
11-Mar-24	5 - Year	5.22%	4.45%
23-Feb-24	7 - Year	5.29%	4.73%
17-Apr-24	10 - Year	5.68%	4.41%
24-Jan-24	15 - Year	5.20%	4.46%
22-Dec-23	20 - Year	5.69%	5.71%

Today Economic Calendar:

Country	Indicators	Poll	Prior
03:01 UK	Gfk Consumer Confidence (Apr)	-20	-21
16:30 US	Core PCE Price Index YoY (Mar)	2.60%	2.80%
16:30 US	PCE Price Index YoY (Mar)	2.60%	2.50%
16:30 US	Core PCE Price Index MoM (Mar)	3.00%	0.30%
16:30 US	Personal Income (MoM) (Mar)	0.50%	0.30%
16:30 US	Michigan Consumer Sentiment Final (Apr)	77.8	79.4

Equities Market

Indices	Last	Previous	% Change
DOW JONES	38,085.80	38,460.92	-0.98%
FTSE	8,078.86	8,040.38	0.48%
NIKKEI	37,741.82	37,715.03	0.07%
NASDAQ	15,611.76	15,712.75	-0.64%
SEM	2,156.73	2,153.88	0.13%

Market Currency

Currency	Actual	Previous
EUR - USD	1.0726	1.0713
GBP - USD	1.2506	1.2473
USD - JPY	156.16	155.70
USD - ZAR	19.0276	19.2171
USD - MUR	46.740	46.800
EUR - MUR	50.597	50.596
GBP - MUR	58.933	58.858
ZAR - MUR	2.5190	2.5000

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

anju.benimadhu@bankone.mu	2029322
nawsheen.nunkoo@bankone.mu	2029321
raymode.yasine@bankone.mu	2029414
ariana.dawoo@bankone.mu	2029460

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