

Daily Market Report

16th May 2025



FX Market Update

USD

Dollar index is at 100.644. Markets anticipate a Fed rate cut by June, reinforced by US ISM PMI data showing manufacturing contraction.

EUR

The EUR/USD pair has regained earlier losses, stabilizing around the 1.1200 level during Friday's Asian trading session. The recovery is supported by a weakening US Dollar, following the release of key economic data on Thursday. The U.S. Producer Price Index dropped by 0.5% month-over-month in April, with the core PPI excluding food and energy, also decreasing by 0.4%. However, the Euro's upward momentum could be restrained as European Central Bank officials persist in signalling the potential for further interest rate cuts.

GBP

The GBP/USD pair climbs to approximately 1.3310 during Friday's Asian trading session, as the US Dollar softens against the British Pound. The decline in the Greenback follows weaker-than-expected US economic data this week, which has increased market expectations for additional Federal Reserve rate cuts this year. Investors are now focusing on the upcoming release of the preliminary University of Michigan Consumer Sentiment Index, as well as US Building Permits and Housing Starts data, scheduled for later on Friday.

ZAR

The USD/ZAR pair is trading at 17.9993. Markets anticipate a Fed rate cut by June, reinforced by US ISM PMI data showing manufacturing contraction.

JPY

The Japanese Yen (JPY) continues to strengthen against the US Dollar for a fourth consecutive day on Friday, reaching a new weekly high during the Asian session. This upward momentum is driven by increasing expectations that the Bank of Japan will raise interest rates again in 2025, offsetting concerns about Japan's disappointing Q1 GDP figures. Positive developments in the US-China trade deal have had little impact on the JPY's bullish trend.

Mauritian Market Highlights

- On the 14th April 2025, the Bank of Mauritius intervened on the domestic foreign exchange market and sold a total amount of USD 10.0 million at the rate of Rs 45.00/USD.

Bond Buzz and Money Market news

Excess liquidity on the market stood at around MUR 40.6 Bn on 15 May 25.

Auction Results (15.05.2025)

Period	Lowest %	Weighted %	Highest %	Bid Received	Allocated
91D	4.67	4.67	4.67	1,900,000,000	1,000,000,000
364D	5.09	5.09	5.09	2,900,000,000	1,500,000,000

Today's Data

Time	Data	Forecast	Previous	Importance
19:00	ECB's Lane Speaks (EUR)			High
23:30	CFTC S&P 500 speculative net positions (USD)		-76.4K	High

Data for yesterday

Time	Data	Actual	Forecast	Importance
13:00	EU Economic Forecasts (EUR)			High
16:40	Fed Chair Powell Speaks (USD)			High

	Latest	Change
EUR/USD	1.1210	▲
GBP/USD	1.3326	▲
USD/ZAR	17.9993	▼
USD/JPY	145.21	▼
USD/INR	85.6600	■
USD/MGA	4446.72	▼
USD/KES	129.00	■
USD/MUR	46.5900	■
EUR/MUR	52.4300	▲
GBP/MUR	62.3670	▲
ZAR/MUR	2.6900	▲
INR/MUR	0.5567	▲
MGA/MUR	1.1100	■
Equity		Change
DJIA	42,322.75	▲
NASDAQ	19,112.32	▼
FTSE100	8,633.75	▲
NIKKEI 225	37,761.62	▲
SEMDEX	2,424.83	▲
Commodities		Change
BRENT	64.77	▲
GOLD	3,221.90	▲
SILVER	32.46	▲
IIBOR	3 MONTHS	6 MONTHS
USD	4.3244%	4.2687%
EUR	2.1420%	2.1560%
DAILY SONIA (GBP)	4.210%	

Central Bank Rates

FED – Upper Bound	4.50%
BOE	4.25%
ECB	2.40%
BOM Repo	4.50%
RBI Repo	6.00%

Government of Mauritius Securities

	Bid	Ask
91 days	4.65%	4.50%
182 days	4.90%	4.75%
364 days	5.10%	4.95%
3 Year	5.20%	5.00%
5 Year	5.40%	5.15%
10 Year	5.70%	5.45%

U.S Treasuries

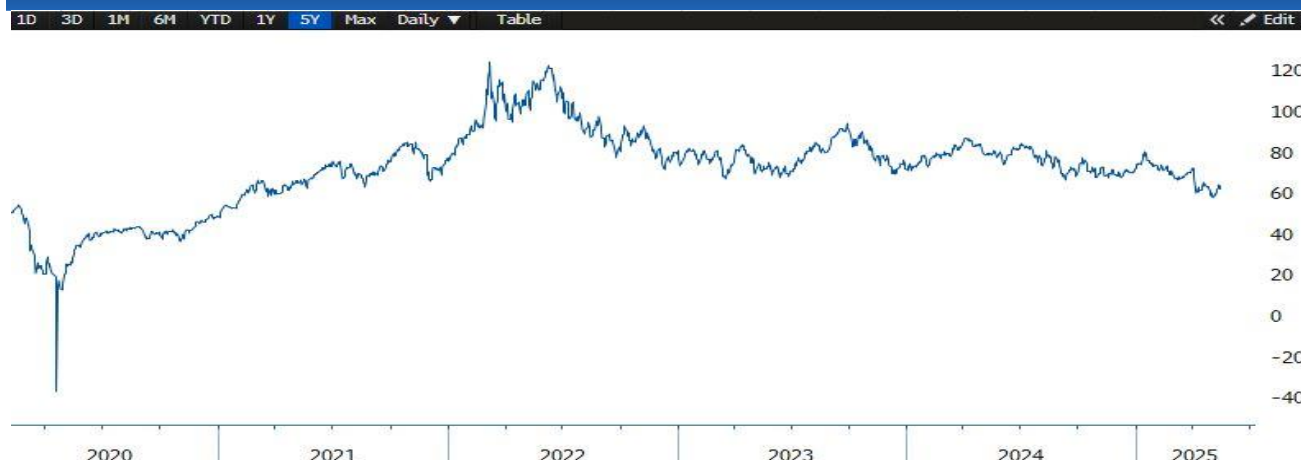
2 Year	3.95%
5 Year	4.04%
10 Year	4.42%

Trading Idea – EUR/USD Chart

EUR/USD has bounced back from earlier losses and is trading around the 1.1200 level during the Asian session on Friday. The recovery is largely driven by a weaker US Dollar, following soft US Producer Price Index (PPI) data. However, further gains may be limited due to the ECB's dovish outlook, keeping the short-term trend neutral to bearish..



Crude oil



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Sources: Bloomberg, Reuters, Bank of Mauritius