



## MEDIA RELEASE

### SINGLE LARGEST INTERVENTION BY THE BANK ON THE DOMESTIC FOREIGN EXCHANGE MARKET

*13 April 2022*

The Bank of Mauritius (Bank) has today intervened on the domestic foreign exchange market for an amount of USD 200 million, equivalent to Rs 8.6 billion. This represents the largest ever single intervention the Bank has made on the market so far in its history.

The Bank has today sold to banks at the market-determined rate of Rs 42.95 per USD, as compared to Rs 43.15 per USD at its previous intervention of Friday 8 April 2022, thus representing a continuous appreciation of the rupee.

Since the beginning of 2022, the Bank has intervened on the domestic foreign exchange market for a total of USD 401.6 million, equivalent to Rs 17.4 billion.

The Bank has observed sustained recovery in foreign exchange inflows in the country since the full reopening of the borders in October 2021. This is supported by greater dynamism in the export and tourism sectors. Over the last two quarters, that is Q4 2021 and Q1 2022, FX inflows in the country amounted to nearly USD 2 billion, equivalent to Rs 86 billion.

It has to be pointed out that the economic conditions which resulted in a depreciation of the rupee since the beginning of the pandemic have largely faded away. As the economic prospects improve, the Bank expects demand and supply conditions on the foreign exchange market to further improve, thus reversing the depreciation trend.

The Bank continues to closely monitor the domestic foreign exchange market and reassures the market and the public at large that it stands ready to sell additional foreign exchange as and when required.

In the context of this unprecedented largest single intervention by the Bank, the Governor met with Treasurers of banks this morning to discuss the latest conditions on the FX market. During the meeting, the Governor reiterated to Treasurers that the Bank will sanction any deviation from prevailing Circular Letters issued by the Bank.