

Weekly Fixed Income Bulletin

Market Snapshot

6th April 2024

Key Overnight Interest Rates (Annualised-P.A)	Current Week	Previous Week	Change
MIBOR	6.56%	7.90%	-1.34%
US SOFR	5.32%	5.33%	-0.01%
EU ESTR	3.91%	3.90%	0.01%
UK SONIA	5.19%	5.19%	0.01%

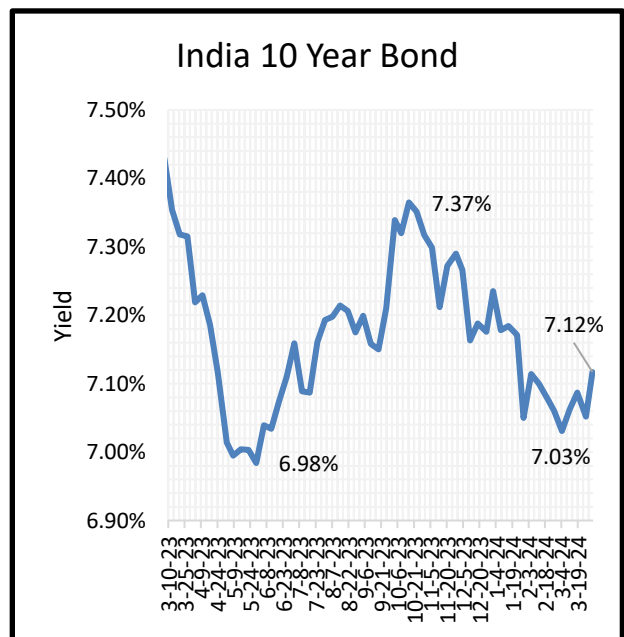
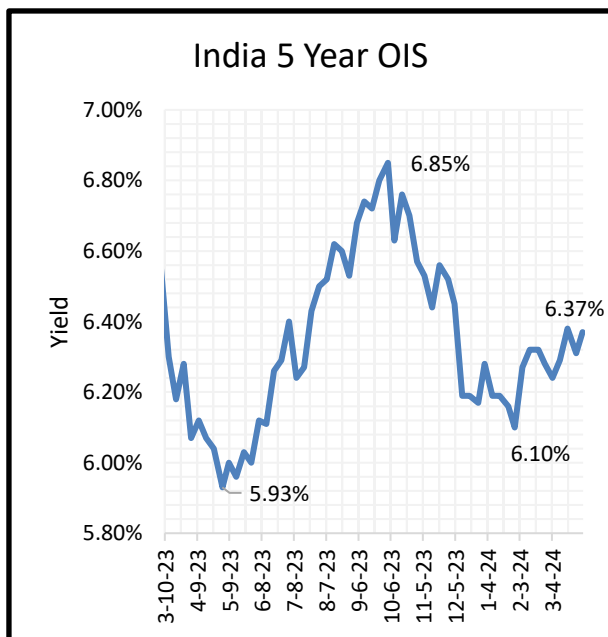
**MIBOR is recorded Friday to Friday while other international benchmarks are recorded Thursday to Thursday.*

Liquidity Adjustment Conducted By RBI	4th April 2024	28th March 2024	Change
Injected (+)/ Absorbed (-) as on Thursday. [In Rs. Crs.]	(1,55,775.67)	73,144.51	(2,28,920.18)

**Liquidity Injection/absorption is calculated from RBI's outstanding operations which includes repo operations, fine tuning operations, targeted long-term operations and special long-term repo operations (SLTRO) for small finance banks. This is recorded Thursday to Thursday and adjusted for public holidays*

Yields (Annualised-P.A)	Current Week	Previous Week	Change
India 3 Month-T-Bill	6.86%	7.02%	-0.16%
India 6 Month T-Bill	7.01%	7.15%	-0.14%
India 5 Year Benchmark Yield	7.09%	7.05%	0.04%
India 10 Year Benchmark Yield	7.12%	7.05%	0.06%
US 10 Year Benchmark Yield	4.40%	4.21%	0.20%
EU 10 Year Benchmark Yield	2.41%	2.29%	0.11%
Japan 10 Year Benchmark Yield	0.77%	0.74%	0.03%
UK 10 Year Benchmark Yield	4.06%	3.95%	0.12%

This data is recorded Friday to Friday



Fund Type	Annualized Weekly Return (P.A)
Liquid Funds	7.35%
Ultra-Short Duration	7.21%
Short Duration	3.72%
GILT	-16.19%

**Weekly return as on Friday is annualized to arrive at the above data set.*

Key Events [08-April-24 to 12-April-24]	Date	Previous Number	Forecasted Number
Germany Industrial Production (MoM)	08-Apr-24	1.00%	0.30%
UK Retail Sales	09-Apr-24	1.00%	1.80%
US CPI (YoY)	10-Apr-24	3.20%	3.40%
FOMC Meeting Minutes	10-Apr-24	NA	NA
China CPI (YoY)	11-Apr-24	0.70%	0.40%
ECB Interest Rate Decision	11-Apr-24	4.50%	4.50%
US PPI (MoM)	11-Apr-24	0.60%	0.30%
US Initial Jobless Claims	11-Apr-24	221K	217K

Market Outlook

The previous week's data from the US indicated a robust economic growth as indicated by the PMI's as well as a tight labor market. Unemployment rate fell and the prospects of a rate cut in June continue to dwindle. FOMC minutes along with the jobless claims would be the key driver for the yields this week and markets would be looking for signs of hawkish pause as data from the US economy continues to be quite robust. On the domestic front, RBI maintained rates and its stance during the recent monetary policy decision. The recent sell off in the bonds have led the prices in to value zone and provides good entry; any lower CPI numbers next week will lead to big fall in yields

India 10 Year (7.12%): Strong resistance near 7.14-7.15% can lead to a drift toward the next 7.08-7.05% area

US 2 Year (4.75%): Last week's bullish action has brought the yield closer to some crucial resistance levels like 4.78%. While holding the resistance, it is expected to dip down toward 4.70% levels. Unexpected rise above 4.80% can trigger some fresh upticks in the yields.

End of report

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