

Weekly Fixed Income Bulletin

Market Snapshot

11th May 2024

Key Overnight Interest Rates (Annualised-P.A)	Current Week	Previous Week	Change
MIBOR	6.80%	6.50%	0.30%
US SOFR	5.31%	5.31%	0.00%
EU ESTR	3.91%	3.91%	0.00%
UK SONIA	5.20%	5.20%	0.00%

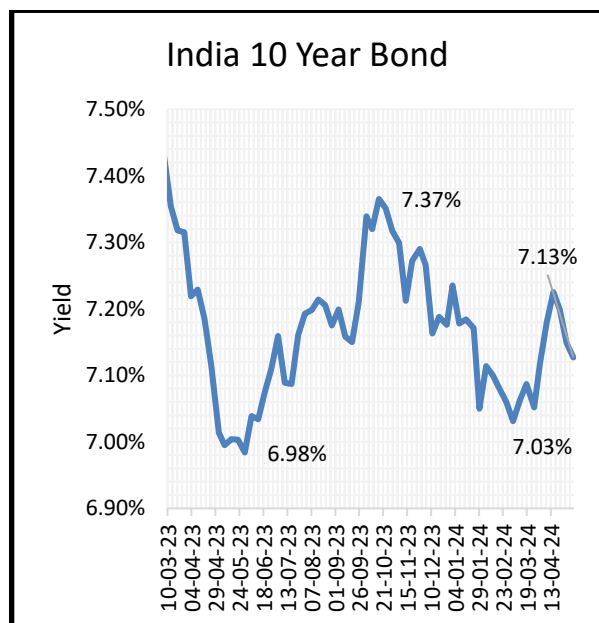
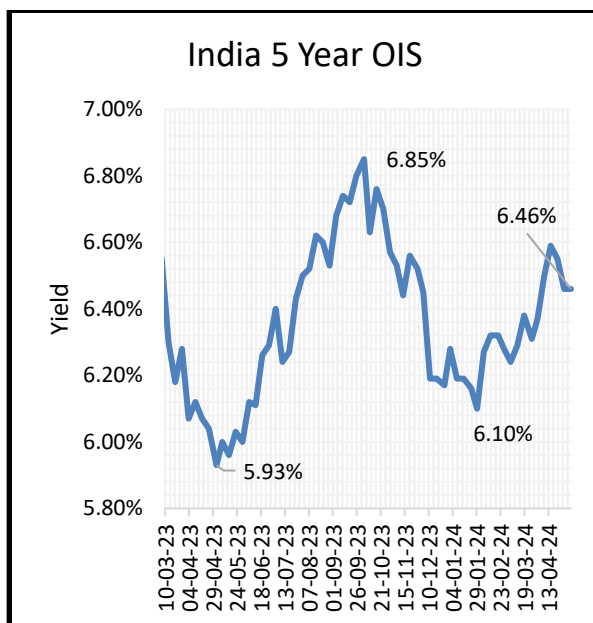
*MIBOR is recorded Friday to Friday while other international benchmarks are recorded Thursday to Thursday.

Liquidity Adjustment Conducted By RBI	9th May 2024	2nd May 2024	Change
Injected (+)/ Absorbed (-) as on Thursday. [In Rs. Crs.]	177,388.74	78,481.39	98,907.35

*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	7.02%	7.03%	-0.01%
India 6 Month T-Bill	7.09%	7.06%	0.03%
India 5 Year Benchmark Yield	7.12%	7.15%	-0.03%
India 10 Year Benchmark Yield	7.13%	7.15%	-0.02%
US 10 Year Benchmark Yield	4.50%	4.51%	-0.01%
EU 10 Year Benchmark Yield	2.51%	2.49%	0.02%
Japan 10 Year Benchmark Yield	0.91%	0.90%	0.01%
UK 10 Year Benchmark Yield	4.17%	4.22%	-0.06%

This data is recorded Friday to Friday



Fund Type	Annualized Weekly Return (P.A)
Liquid Funds	7.21%
Ultra-Short Duration	6.14%
Short Duration	9.68%
GILT	20.69%

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

Key Events [13-May-24 to 17-May-24]	Date	Previous Number	Forecasted Number
India CPI inflation (YoY)	13-May-24	4.85%	4.80%
UK ILO Unemployment Rate	14-May-24	4.20%	4.30%
German CPI (YoY)	14-May-24	2.20%	2.20%
India WPI Inflation (YoY)	14-May-24	0.53%	1.00%
US PPI (YoY)	14-May-24	2.10%	2.20%
Eurozone GDP Flash Estimate (YoYO)	15-May-24	0.40%	0.40%
US Headline CPI (YoY)	15-May-24	3.50%	3.40%
US Core CPI (YoY)	15-May-24	3.80%	3.60%
US Retail Sales (MoM)	15-May-24	0.70%	0.40%
US Initial Jobless Claims	16-May-24	231K	219K
Chinese Industrial Production (YoY)	17-May-24	4.50%	4.60%

Market Outlook

Global markets, including those in India, are moving sideways due to no new developments or shifts in economic data. This week, the spotlight for global markets is on the upcoming inflation data from the U.S and markets are anticipating a possible interest rate cut by the U.S. in September, and a drop-in inflation (below 3.40%-headline CPI) could solidify these expectations. In India, last week out of the Rs 40,000 crore buyback announced, only bids of Rs 10,500 crores was accepted, this may have caused a liquidity shortfall to a small extent. The RBI has announced Rs 60,000 crore government security buy back this week.

India 10 Year (7.13%): Holding below the resistance of 7.15%, it is likely to dip below 7.10%. This would increase the probability of the yield falling to 7.05% but an unexpected rise above 7.17% will cast doubts on this view.

US 2 Year (4.87%): It is expected to stay below the nearest resistance of 4.96% and dip toward 4.73%. Unexpected rise above 4.97% will move the yields higher to 5.05%.

End of report

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