

## Weekly Fixed Income Bulletin

Market Snapshot

1<sup>st</sup> June 2024

Key Overnight Interest Rates (Annualised-P.A)	Current Week	Previous Week	Change
MIBOR	6.76%	6.80%	-0.04%
US SOFR	5.33%	5.31%	0.02%
EU ESTR	3.91%	3.91%	0.00%
UK SONIA	5.20%	5.20%	0.00%

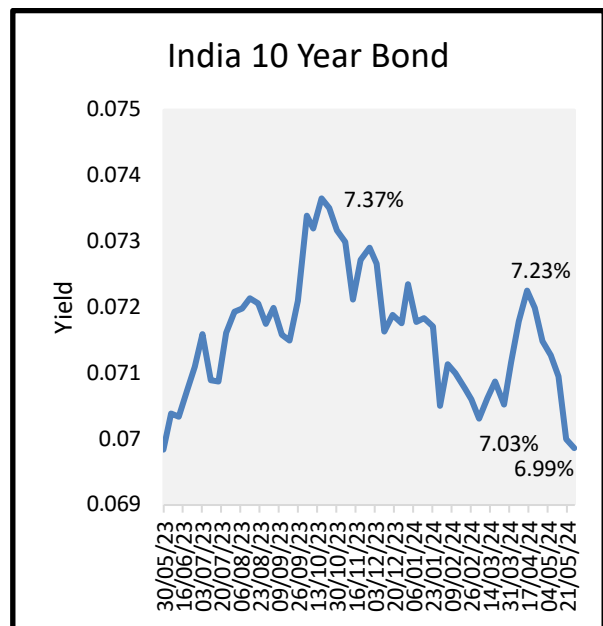
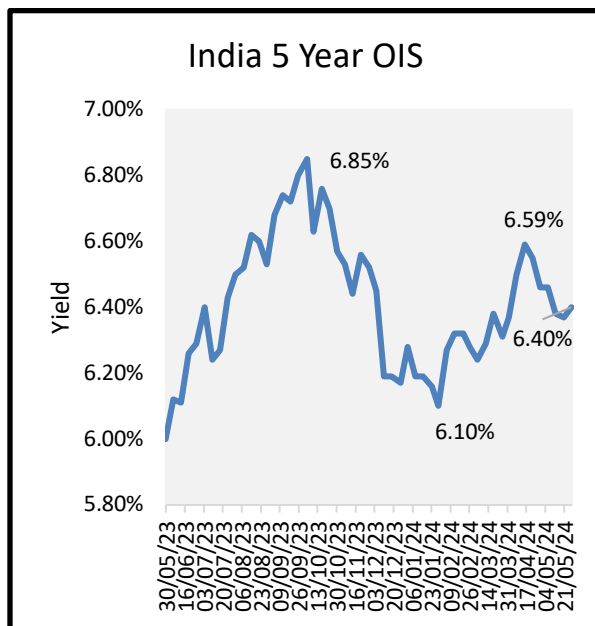
\*MIBOR is recorded Friday to Friday while other international benchmarks are recorded Thursday to Thursday.

Liquidity Adjustment Conducted By RBI	30th May 2024	22nd May 2024	Change
Injected (+)/ Absorbed (-) as on Thursday. [In Rs. Crs.]	1,01,341.01	2,37,234.89	(1,35,893.88)

\*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	6.89%	6.88%	0.01%
India 6 Month T-Bill	7.03%	7.02%	0.01%
India 5 Year Benchmark Yield	7.05%	7.05%	0.01%
India 10 Year Benchmark Yield	6.99%	7.00%	-0.01%
US 10 Year Benchmark Yield	4.50%	4.46%	0.04%
EU 10 Year Benchmark Yield	2.66%	2.58%	0.08%
Japan 10 Year Benchmark Yield	1.07%	1.00%	0.07%
UK 10 Year Benchmark Yield	4.33%	4.26%	0.07%

This data is recorded Friday to Friday



Fund Type	Annualized Weekly Return (P.A)
Liquid Funds	6.88%
Ultra Short Duration	8.15%
Short Duration	4.37%
GILT	5.72%

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

Key Events [03-June-24 to 07-June-24]	Date	Previous Number	Forecasted Number
China Caxin Manufacturing PMI	03-Jun-24	51.00	51.50
India HSBC Manufacturing PMI	03-Jun-24	58.40	58.40
UK S&P Global Manufacturing PMI	03-Jun-24	51.30	51.30
US ISM Manufacturing PMI	03-Jun-24	49.20	49.60
India General Election Results	04-Jun-24	-	-
US Factory Orders (MoM)	04-Jun-24	1.60%	0.60%
EU HCOB Services PMI	05-Jun-24	53.30	53.30
UK S&P Global Services PMI	05-Jun-24	52.90	52.90
US ISM Non-Manufacturing PMI	05-Jun-24	49.40	50.50
ECB Interest Rate Decision	06-Jun-24	4.00%	3.75%
India Interest Rate Decision	07-Jun-24	6.50%	6.50%
EU GDP Revised (YoY)	07-Jun-24	0.40%	0.40%
US Non-Farm Payrolls	07-Jun-24	175K	190K
US Unemployment Rate	07-Jun-24	3.90%	3.90%

## Market Outlook

The Previous week's inflation figures failed to create any moves as inflation numbers came in line with expectations. This week, global markets would be attentive to the ECB meeting-expecting a 25-bps cut, however in case the ECB does not cut rates, it could lead to a push higher in yields as inflation entrenchment becomes a problem. In India, attention will be on the election results, while the exit polls show a comfortable lead for the NDA, if materialized could see Indian yields further cooling off. In case of any surprise otherwise, yields could see a bout of volatility on the higher side.

**India 10 Year (6.99 %):** While staying below 7.05%, it is likely to dip toward 6.91%. Unexpected rise above 7.11% may change this view.

**US 2 Year (4.87%):** A dip below 4.85% may pull the yields down to 4.76%. Resistance toward 4.95% may cap the yields on the higher side.

End of report

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