

## Weekly Fixed Income Bulletin

**Market Snapshot**

**25th May 2024**

Key Overnight Interest Rates (Annualised-P.A)	Current Week	Previous Week	Change
MIBOR	6.80%	6.78%	0.02%
US SOFR	5.31%	5.31%	0.00%
EU ESTR	3.91%	3.90%	0.01%
UK SONIA	5.20%	5.20%	0.00%

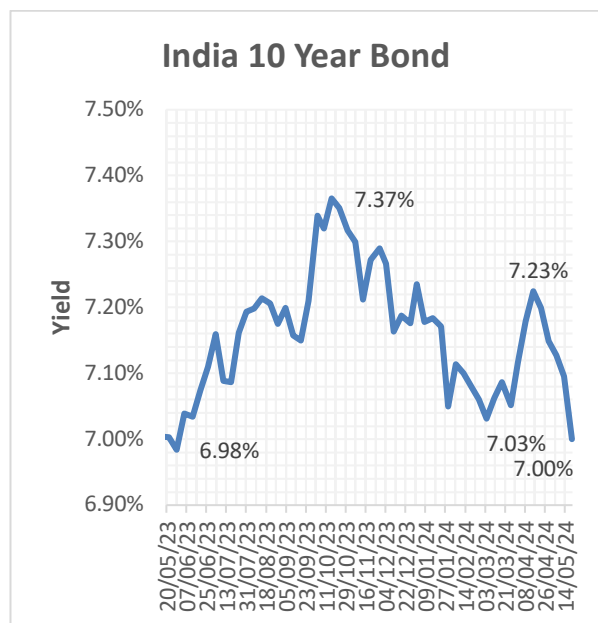
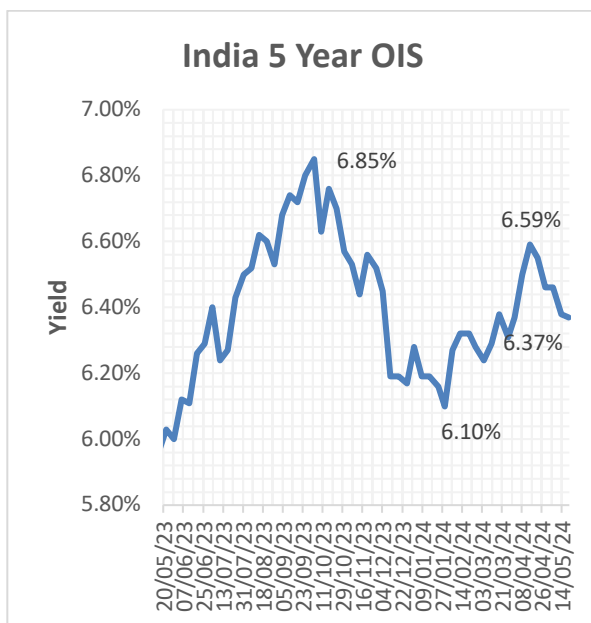
\*MIBOR is recorded Friday to Friday while other international benchmarks are recorded Thursday to Thursday.

Liquidity Adjustment Conducted By RBI	22nd May 2024	16th May 2024	Change
Injected (+)/ Absorbed (-) as on Thursday. [In Rs. Crs.]	2,37,234.89	93,999.10	1,43,235.79

\*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	6.88%	6.99%	-0.11%
India 6 Month T-Bill	7.02%	7.08%	-0.06%
India 5 Year Benchmark Yield	7.05%	7.09%	-0.04%
India 10 Year Benchmark Yield	7.00%	7.10%	-0.09%
US 10 Year Benchmark Yield	4.46%	4.42%	0.04%
EU 10 Year Benchmark Yield	2.58%	2.52%	0.06%
Japan 10 Year Benchmark Yield	1.00%	0.95%	0.05%
UK 10 Year Benchmark Yield	4.26%	4.12%	0.14%

This data is recorded Friday to Friday



Fund Type	Annualized Weekly Return (P.A)
Liquid Funds	7.56%
Ultra Short Duration	6.12%
Short Duration	6.12%
GILT	26.27%

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

Key Events [27-May-24 to 31-May-24]	Date	Previous Number	Forecasted Number
German IFO Business Climate	27-May-24	89.40	90.40
US Consumer Confidence	28-May-24	97.00	96.00
German CPI (YoY)	29-May-24	2.20%	2.40%
EU Consumer Confidence	30-May-24	-14.30	-14.30
EU Unemployment Rate	30-May-24	6.50%	6.50%
US Q1 GDP-Second Estimate	30-May-24	1.60%	1.40%
US Initial Jobless Claims	30-May-24	215K	219K
Japan CPI-Tokyo (Ex Food-YoY)	31-May-24	1.60%	1.90%
French CPI (YoY)	31-May-24	2.40%	2.60%
India GDP Quarterly (YoY)	31-May-24	8.40%	6.70%
US PCE (YoY)	31-May-24	2.70%	2.70%
US Core PCE (YoY)	31-May-24	2.80%	2.80%

## Market Outlook

Last week's Fed member speeches reiterated the theme set by J. Powell- 'Higher for Longer'. A higher inflation reading from the UK pushed yields higher as the rate cut expectations from the UK is pushed back, slowly aligning to the expectations from the Fed. This week, participants will keenly look for the PCE numbers, a higher reading should not greatly affect the yields, but lower inflation print might push down yields as markets are already discounting the 'higher for longer narrative'. In India, RBI announced a Rs 2.11 lakh crore dividend to the government (much higher than expectations), RBI also announced a steep reduction in the T-bill auction amount-Rs 72,000 crores as against the previous auction of Rs 1.32 lakh crore, this was done due to surplus liquidity with the government and lead to a rally in bond prices (fall in yields).

**India 10 Year (7.00%):** It is likely to dip toward 6.93% to 6.91% while holding below 7.04%. A rise above 7.06% may lead to yields consolidating.

**US 2 Year (4.95%):** It is likely to push higher toward the 5% to 5.05% mark. A fall below 4.87% may cause doubts in this view.

End of report

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