

## Weekly Fixed Income Bulletin

**Market Snapshot**

**8th June 2024**

Key Overnight Interest Rates (Annualised-P.A)	Current Week	Previous Week	Change
MIBOR	6.59%	6.76%	-0.17%
US SOFR	5.33%	5.33%	0.00%
EU ESTR	3.91%	3.91%	0.00%
UK SONIA	5.20%	5.20%	0.00%

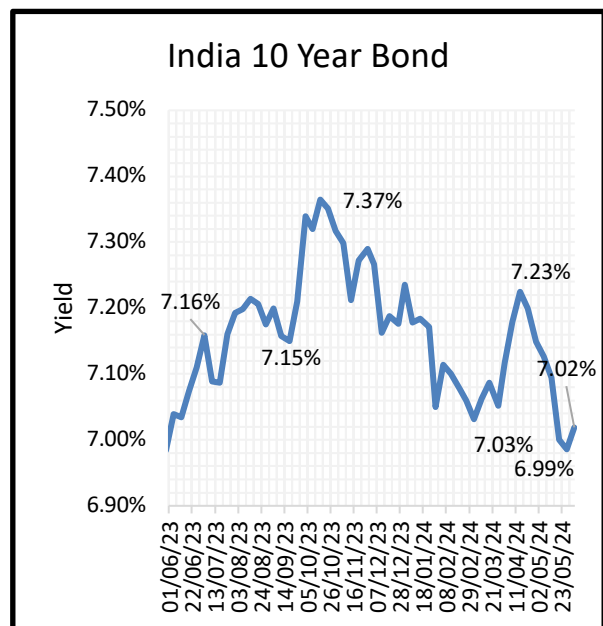
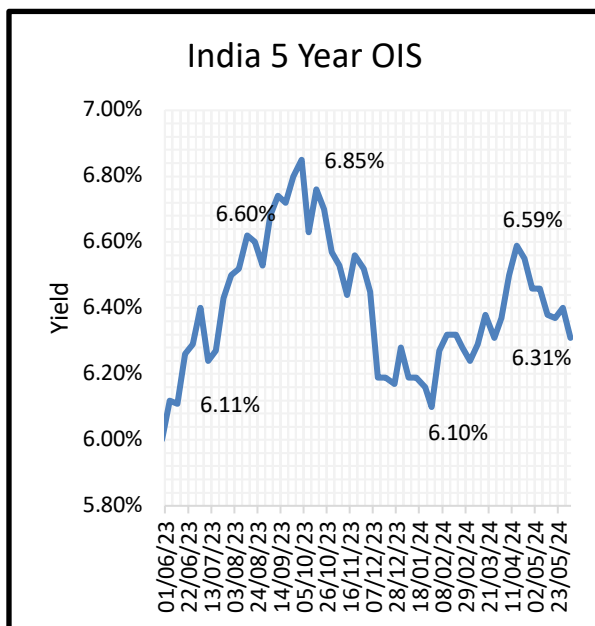
\*MIBOR is recorded Friday to Friday while other international benchmarks are recorded Thursday to Thursday.

Liquidity Adjustment Conducted By RBI	6th June 2024	30th May 2024	Change
Injected (+)/ Absorbed (-) as on Thursday. [In Rs. Crs.]	(45,019.99)	1,01,341.01	(1,46,361.00)

\*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%	6.89%	-0.01%
India 6 Month T-Bill	7.03%	7.03%	0.00%
India 5 Year Benchmark Yield	7.02%	7.05%	-0.03%
India 10 Year Benchmark Yield	7.02%	6.99%	0.03%
US 10 Year Benchmark Yield	4.44%	4.50%	-0.07%
EU 10 Year Benchmark Yield	2.62%	2.66%	-0.03%
Japan 10 Year Benchmark Yield	0.96%	1.07%	-0.11%
UK 10 Year Benchmark Yield	4.25%	4.33%	-0.08%

This data is recorded Friday to Friday



Fund Type	Annualized Weekly Return (P.A)
Liquid Funds	7.07%
Ultra Short Duration	6.11%
Short Duration	6.12%
GILT	0.82%

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

Key Events [10-June-24 to 14-June-24]	Date	Previous Number	Forecasted Number
Japan GDP Revised (QoQ)	10-Jun-24	-2.00%	-1.90%
UK ILO Unemployment Rate	11-Jun-24	4.30%	4.30%
German Harmonized CPI (YoY)	12-Jun-24	2.80%	2.80%
UK GDP Estimate (YoY)	12-Jun-24	0.70%	0.60%
India CPI Inflation (YoY)	12-Jun-24	4.83%	4.89%
US CPI (YoY)	12-Jun-24	3.40%	3.40%
US Federal Reserve Interest Rate Decision	12-Jun-24	5.25% to 5.50%	5.25% to 5.50%
EU Industrial Production (YoY)	13-Jun-24	-1.00%	-2.00%
India WPI Inflation (YoY)	14-Jun-24	1.26%	2.50%

## Market Outlook

The previous week marked the start of the rate cut cycle in the global monetary policy theme. ECB which usually follows the US Fed cut its interest rates by 25 basis points (a very well discounted move). The guidance on further cuts remains data dependent. Stronger Non-Farm Payroll number pushed the yields higher as a tight labor market continues to persist in the US. Focus this week will be on the US and interest rates are being expected to remain higher for longer due to persistent inflationary pressures.

On the domestic front, a shockingly divergent election results as compared to the exit polls lead to a rise in yields and the general volatility in the market. The moves in coming times will be dependent on the strength of the coalition government. Any weakness observed in the coalition maybe seen as a weak political scenario and lead to yields rising further. RBI in its MPC decision kept its rates and stance unchanged.

**India 10 Year (7.02%):** Corrective rises are expected to be resisted around the 7.05% mark leading to a dip below 6.99%. Unexpected rise above 7.08% may change this view.

**US 2 Year (4.86%):** Rises are being resisted around the 4.95% mark and this may lead to a test of the immediate supports at 4.77%. Unexpected rise above 4.98% may further push yields higher.

— **End of report** —

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