

10th November 2025

Market Snapshot

Key Overnight Interest Rates p.a.	Current Week	Previous Week	Change	Year change
MIBOR	5.44%	5.69%	-0.25%	-1.06%
US SOFR	3.92%	4.04%	-0.12%	-0.90%
EU ESTR	1.93%	1.93%	0.00%	-1.48%
UK SONIA	3.97%	3.97%	0.00%	-0.98%

*MIBOR is recorded Friday to Friday while other international benchmarks are recorded Thursday to Thursday. Fall in rates can be attributed to rate cut during this week.

Liquidity Adjustment Conducted By RBI	Thu 06 Nov 2025	Thu 30 Oct 2025	Change
Injected (+)/ Absorbed (-) as on Thursday. [In Rs. Crs.]	-₹ 2,32,376.77	-₹ 8,475.60	₹ -2,23,901.17

*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 (Annualized-p.a.)	Current Week	Previous Week	Change	Year change
India 3 Month T-Bill	5.47%	5.48%	-0.01%	-1.00%
India 6 Month T-Bill	5.60%	5.60%	0.00%	-1.02%
India 5 Year Benchmark Yield	6.16%	6.18%	-0.02%	-0.61%
India 10 Year Benchmark Yield	6.51%	6.53%	-0.02%	-0.28%
US 10 Year Benchmark Yield	4.09%	4.10%	-0.01%	-0.25%
EU 10 Year Benchmark Yield	2.67%	2.64%	0.03%	0.22%
Japan 10 Year Benchmark Yield	1.68%	1.66%	0.02%	0.67%
UK 10 Year Benchmark Yield	4.47%	4.41%	0.06%	-0.04%

Fund Type	Annualized Weekly Return (p.a.)
Liquid Funds	5.90%
Ultra Short Duration	6.47%
Short Duration	7.52%
GILT	5.48%

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

Week Ahead:

Key Events [10 th November-2025 to 14 th November-2025]	Date	Previous Number	Forecasted Number
U.K. Unemployment Rate SEP	11-Nov-25	4.80%	4.80%
India Inflation Rate YoY OCT	12-Nov-25	1.54%	0.70%
U.K. GDP Growth Rate YoY Prel Q3	13-Nov-25	1.40%	1.30%
China Industrial Production YoY OCT	14-Nov-25	6.50%	5.80%
China Retail Sales YoY OCT	14-Nov-25	3.00%	2.20%
EU Balance of Trade SEP	14-Nov-25	€1B	€8B
India Balance of Trade OCT	14-Nov-25	\$-32.15B	\$-30.7B

Week in Review:

Key Events [03rd November-2025 to 07th November-2025]	Date	Previous Number	Actual Number
China RatingDog Manufacturing PMI OCT	03-Nov-25	51.2	50.6
U.S. ISM Manufacturing PMI OCT	03-Nov-25	49.1	48.7
U.S. ISM Services PMI OCT	05-Nov-25	50.0	52.4
BoE Interest Rate Decision	06-Nov-25	4.00%	4.00%
China Balance of Trade OCT	07-Nov-25	\$90.45B	\$90.07B
Germany Balance of Trade SEP	07-Nov-25	€16.9B	€15.3B

India 5 Year OIS



India 10 Year Bond Yield



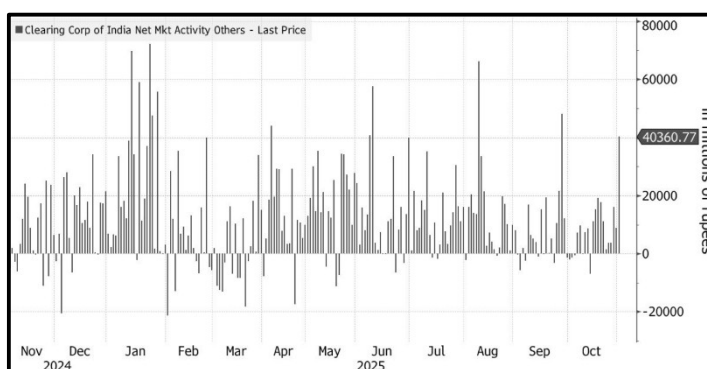
Market Recap

RBI Tightens Its Grip as Bonds Rally and Rupee Defense Deepens

This week, India's money and bond markets unfolded under the careful guidance of the Reserve Bank of India, navigating the twin pressures of IPO funding, advance tax outflows, and credit disbursements. The three-day interbank call rate mostly traded below the repo rate of 5.50%, buoyed by a systemic liquidity surplus that saw net absorption rise above INR 2.3 trillion midweek. Triparty repo rates mirrored this ease, dipping close to the Standing Deposit Facility level.

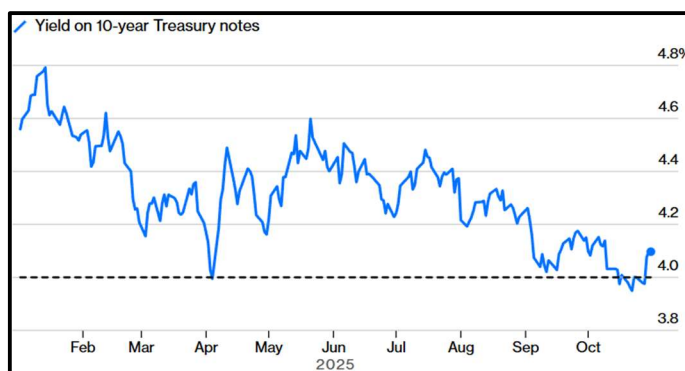
The benchmark 10-year yield remained anchored around 6.515%, even as the newly issued 10-year 6.48% 2035 bond tightened spreads, hinting at its potential emergence as a reference paper. Shorter-duration OIS rates eased slightly on improved daily liquidity, while the rupee rebounded from near-record lows following targeted RBI dollar sales. Persistent central bank interventions—through liquidity management and forex support—underscored its active role in stabilizing both bond and currency markets.

Market optimism received a boost when depository data showed the “others” category, including the RBI, bought INR 40.4 billion (\$456 million) of bonds on Monday, the largest since late September, nudging the 10-year yield down by two basis points to 6.52%. Looking ahead, call rates are expected to hover near the repo rate, while bond markets closely monitor the durable liquidity landscape. Traders now anticipate around INR 1 trillion of open market operations in December to stabilize reserve money growth amid advance tax outflows.



Treasury Yields Steady Amid Shutdown-Induced Data Void and Rising Fiscal Uncertainty

U.S. Treasury yields edged lower Friday as investors navigated a murky macro backdrop defined by the longest government shutdown, weak consumer sentiment, and growing fiscal uncertainty. The University of Michigan's sentiment index fell to 50.3, its lowest since mid-2022 highlighting public anxiety over the shutdown's economic toll. With the Labor Department's jobs report missing for a second month, markets relied on private data showing a gradual cooling in labour conditions. The 10-year yield slipped to 4.085% and the 2-year to 3.55%, extending a rally fueled by expectations of a December Fed rate cut, now priced at 70%. The yield curve steepened to a three-week high as long-end yields firmed ahead of next



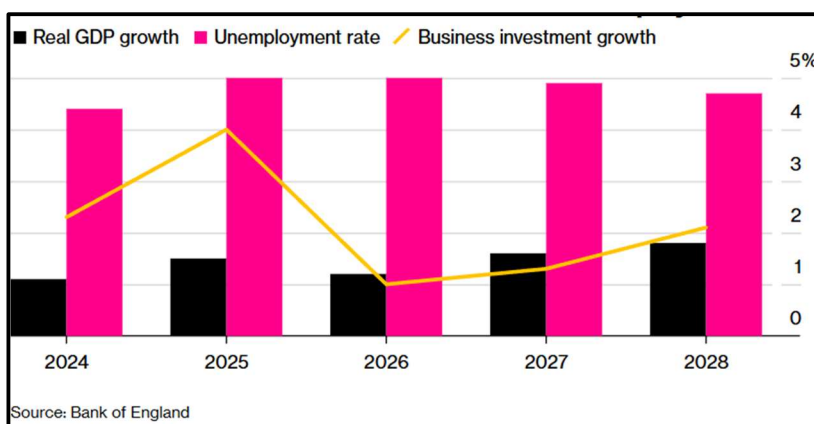
week's \$125 billion Treasury auctions. Fiscal concerns deepened after reports that a court ruling could widen the deficit and push up debt issuance, adding pressure to the long end of the curve.

Fed officials struck a cautious tone, reflecting uncertainty amid limited data and persistent inflation. Vice Chair Philip Jefferson noted policy is now "closer to neutral," while Chair Jerome Powell reiterated that another rate cut in December is "not a foregone conclusion." The Fed's latest Financial Stability Report warned of rising systemic risks from AI-driven volatility and elevated leverage in hedge funds and insurers to refinancing challenges in commercial real estate. With sentiment fragile, fiscal clouds darkening, and policymakers divided, Treasury yields ended the week largely unchanged, a calm surface concealing deep unease about the economy's direction.

BOE Holds Fire as Reeves Faces a Fiscal Black Hole

The Bank of England delivered a knife-edge hold, keeping rates at 4% in a 5–4 split vote, with Governor Andrew Bailey's casting vote deciding against an immediate cut. The move ends a year-long rhythm of quarterly easing but leaves the door open for a December reduction, contingent on inflation, labour data, and Chancellor Rachel Reeves's Nov. 26 budget. Bailey

acknowledged that disinflation risks now outweigh inflation risks, hinting at a "dovish hold" stance aligned with market pricing for rates near 3.5% by mid-2026. The BOE's forecasts show inflation easing to 3.1% in early 2026 and 2% by 2027, with unemployment peaking at 5.1%.



The decision lands as Reeves faces a £14–50 billion fiscal gap, forcing potential tax hikes that have already pressured the pound and stirred political backlash. With growth set to slow and borrowing costs still high, markets view the December MPC meeting as pivotal, a test of whether fiscal tightening and moderating prices will finally unlock the next leg of UK monetary easing.

End of report

Prepared By:

Swaraj Rajagopal

Manager – Treasury Market

Prikshit Chanana

Analyst – Treasury Market