

17th November 2025
Market Snapshot

Key Overnight Interest Rates p.a.	Current Week	Previous Week	Change	Year change
MIBOR	5.58%	5.44%	0.14%	-0.94%
US SOFR	4.00%	3.92%	0.08%	-0.58%
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 13 Nov 2025	Thu 06 Nov 2025	Change
Injected (+)/ Absorbed (-) as on Thursday. [In Rs. Crs.]	-₹ 2,40,250.86	-₹ 2,32,376.77	₹ -7,874.09

*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	5.45%	5.47%	-0.02%	-1.02%
India 6 Month T-Bill	5.58%	5.60%	-0.02%	-1.05%
India 5 Year Benchmark Yield	6.18%	6.16%	0.03%	-0.63%
India 10 Year Benchmark Yield	6.53%	6.51%	0.01%	-0.30%
US 10 Year Benchmark Yield	4.15%	4.09%	0.06%	-0.27%
EU 10 Year Benchmark Yield	2.72%	2.67%	0.05%	0.38%
Japan 10 Year Benchmark Yield	1.70%	1.68%	0.02%	0.64%
UK 10 Year Benchmark Yield	4.58%	4.47%	0.11%	0.07%

Fund Type	Annualized Weekly Return (p.a.)
Liquid Funds	4.98%
Ultra Short Duration	6.51%
Short Duration	10.48%
GILT	-5.07%

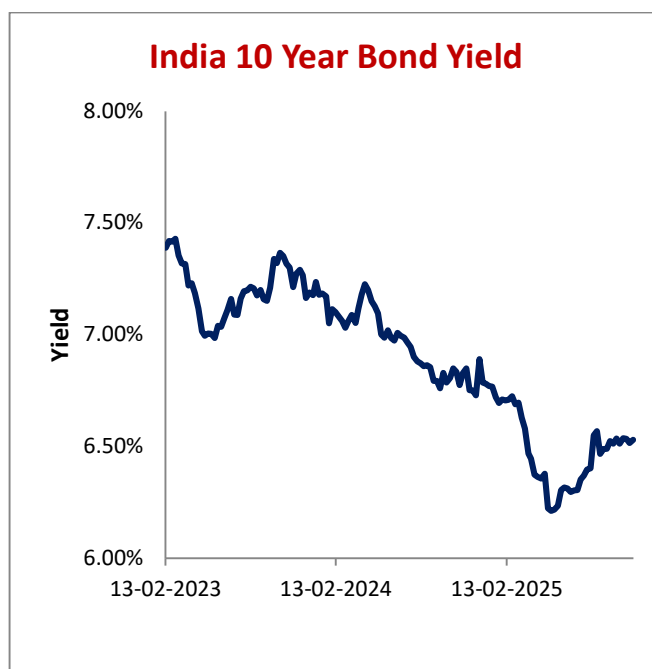
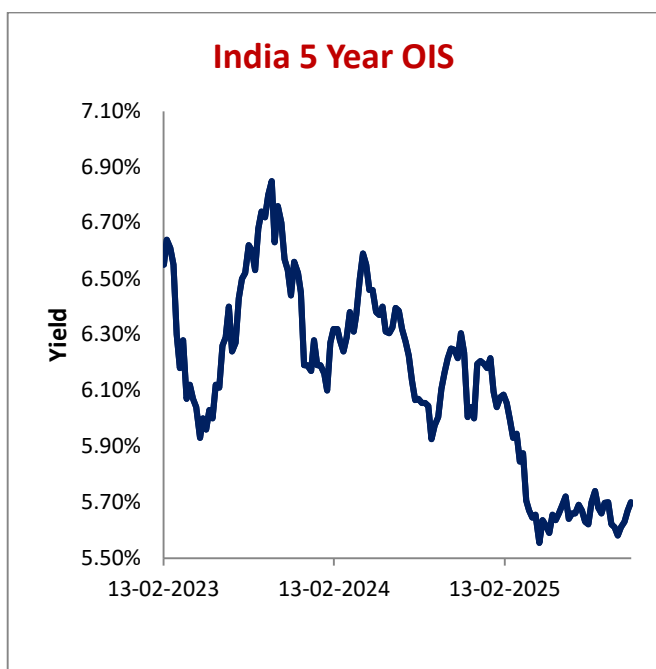
Weekly return as on Thursday is annualized to arrive at the above data set.

Week Ahead:

Key Events [17 th November-2025 to 21st November-2025]	Date	Previous Number	Forecasted Number
Japan GDP Growth Rate QoQ Prel Q3	17-Nov-25	0.50%	-0.40%
India Unemployment Rate OCT	17-Nov-25	5.20%	5.30%
Japan Balance of Trade OCT	19-Nov-25	¥-234.6B	¥-280B
U.K. Inflation Rate YoY OCT	19-Nov-25	3.80%	3.70%
FOMC Minutes	20-Nov-25		
U.S. Existing Home Sales OCT	20-Nov-25	4.06M	4.1M
Japan Inflation Rate YoY OCT	21-Nov-25	2.90%	3.10%
U.K. Retail Sales MoM OCT	21-Nov-25	0.50%	0.10%
Germany HCOB Manufacturing PMI Flash NOV	21-Nov-25	49.6	50.1
U.K. S&P Global Manufacturing PMI Flash NOV	21-Nov-25	49.7	49.5
U.K. S&P Global Services PMI Flash NOV	21-Nov-25	52.3	52

Week in Review:

Key Events [10 th November-2025 to 14th November-2025]	Date	Previous Number	Actual Number
U.K. Unemployment Rate SEP	11-Nov-25	4.80%	5.00%
India Inflation Rate YoY OCT	12-Nov-25	1.44%	0.25%
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%	4.90%
China Retail Sales YoY OCT	14-Nov-25	3.00%	2.90%
EU Balance of Trade SEP	14-Nov-25	€1B	€19.4B



Market Recap

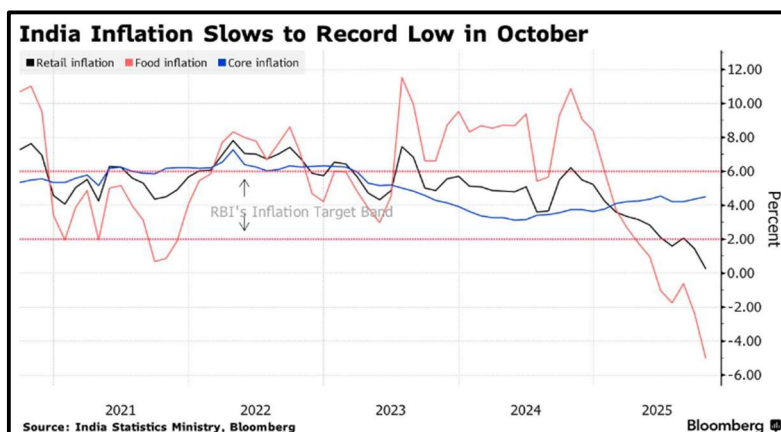
RBI Juggles Bonds and Inflation Shock

This week, India's bond markets felt the weight of a high-stakes balancing act. The RBI stepped back in with ₹12,470 crore of open market purchases, signaling resolve, but long-end yields kept marching higher but clarity from the central bank on the far curve remains missing. Meanwhile, a hotly watched 40-year gilt auction cleared at 7.37%, underscoring that fresh supply is not being fully absorbed.

On the policy front, the RBI offered a lifeline to exporters battered by U.S. tariffs, granting a moratorium on term-loans until December 2025, extending export credit to 450 days, and stretching repatriation to 15 months. These moves create breathing room for companies in 20 affected sectors.

The banking system is now awash with cash, liquidity is near ₹2.4 lakh crore in surplus, helped by CRR cuts but that very abundance is testing where loans and rates point next. At an RBI VRRR auction, demand was soft a muted signal that players remain cautious even in the rich liquidity environment.

Then came a startling inflation print: CPI slowed to just 0.25% year-on-year in October, driven by a crash in food prices. That shock has recalibrated rate expectations, pushing markets to lean toward a December rate cut, with whispers of another in early 2026. Even so, traders warn, without a strong signal that the RBI supports long-dated bonds, the long end could remain a pressure point amid a torrent of supply.

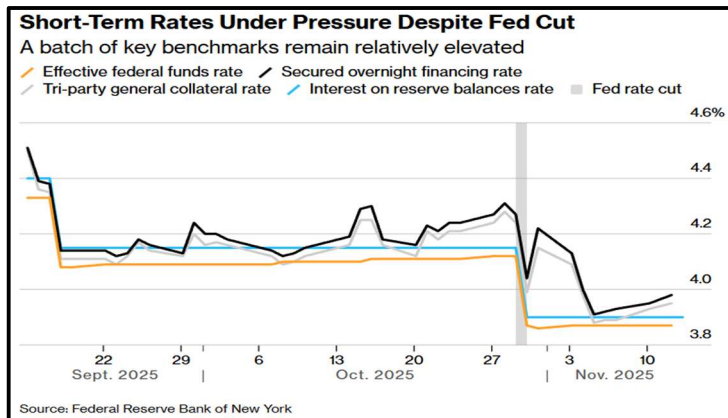


U.S. Bond Markets Brace for December Fed Showdown

U.S. Treasury yields climbed last week amid easing risk aversion, with the 10-year note up 5.5 bps to 4.146% and the two-year yield rising 5.4 bps to 3.568%, its largest weekly gain since mid-June. The yield curve steepened to 53.2 bps, reflecting faster gains in long-dated debt.

Fed officials diverged ahead of the December 9–10 meeting: Kansas City's Schmid, Dallas' Logan, and Cleveland's Hammack warned of persistent inflation and a resilient labor market, reducing market odds of a rate cut to 40–50% from 90% earlier in November. By contrast, Fed Governor Stephen Miran and others still favor easing, citing labor-market fragility.

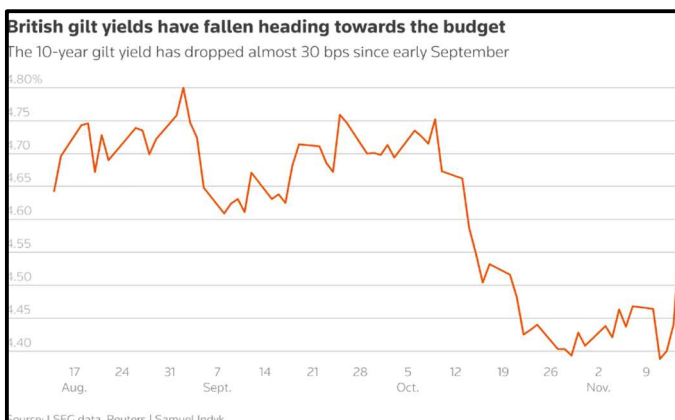
Economic data gaps from the 43-day government shutdown delayed key releases, with October's inflation report and parts of the employment survey incomplete. Short-term funding strains persisted, keeping repo rates elevated; the New York Fed engaged primary dealers via the Standing Repo Facility to ensure liquidity.



Convertible bond issuance surged to \$108.7 billion YTD, exceeding 2020's \$105.6 billion, as investors sought optionality amid equity volatility and stubborn Treasury yields above 4%. Markets now navigate a landscape of divided Fed views, delayed data, and tight liquidity, setting the stage for a contested December meeting with potential volatility in both yields and equities.

UK Gilts Rocked by a Fiscal U-Turn: Markets Demand Credibility Ahead of the Budget

UK markets endured their most turbulent week since July as an abrupt U-turn on an expected income-tax rise shredded investor confidence and reignited fears about fiscal credibility. The volte-face triggered by improved OBR forecasts and political reluctance to break manifesto pledges left a widening hole in the November 26 budget and sent gilts, sterling, and equities sharply lower. Ten-year gilt yields spiked about 14 bps to around 4.58%, with long-end yields hit hardest as investors demanded greater compensation for political and policy risk.



The pound slid despite surging yields, underscoring concerns that a patchwork of narrower, slower-raising tax measures from property levies to pension tweaks and frozen thresholds may fail to stabilise the fiscal path. Markets, having priced in a "clean" income-tax hike, now face renewed uncertainty around the government's cohesion, the durability of fiscal rules, and the Bank of England's December rate-cut trajectory. While some investors view the selloff as an overreaction, the dominant narrative is one of frayed credibility and a budget that must now work harder to restore market trust.

End of report

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