

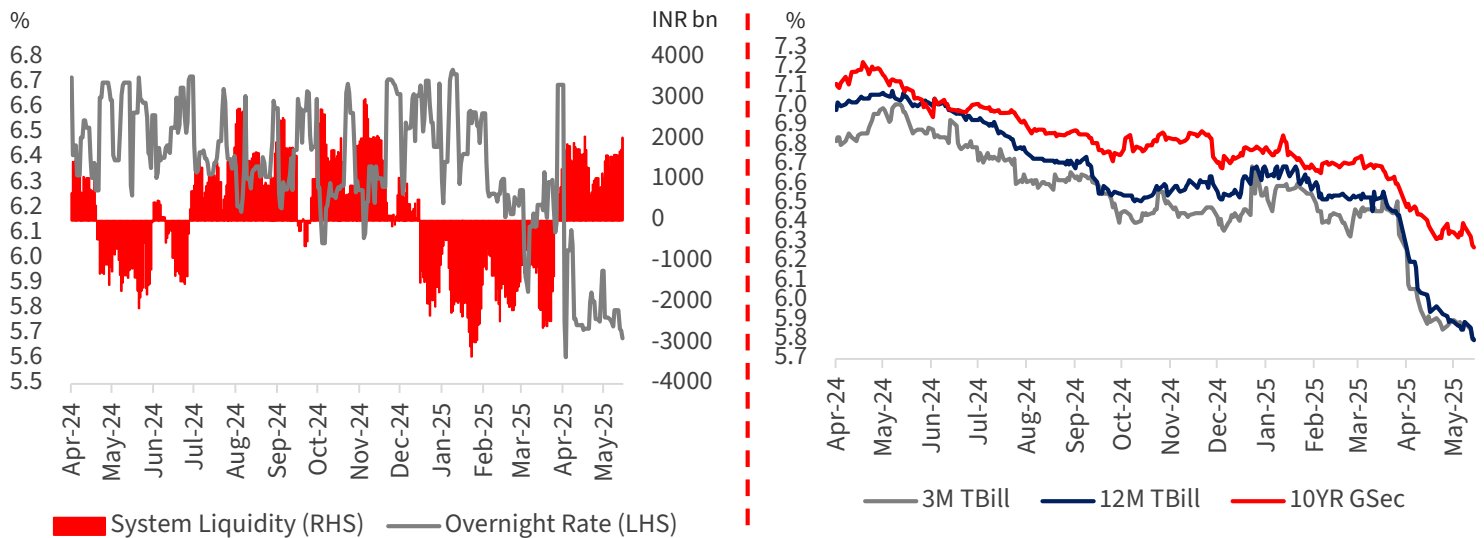
Macro Konnect

16-May-2025

Liquidity Monitor

| (In INR Billion) | Amount | Amount | Amount |
|----------------------------------------------------|---------------|---------------|---------------|
| | 30-Apr | 08-May | 15-May |
| Liquidity Adjustment Facility (LAF) | | | |
| Reverse Repo & Standing Deposit Facility (SDF) | 1877.1 | 1771.9 | 2629.5 |
| Repo | -406.8 | -339.5 | -310.8 |
| Marginal Standing Facility (MSF) | -84.7 | -19.8 | -3.6 |
| Standing Liquidity Facility (SLF) Availed from RBI | -94.8 | -87.1 | -85.8 |
| Liquidity Deficit/Surplus | 1290.8 | 1325.5 | 2229.3 |
| Net System Liquidity* | 1157.7 | 1480.4 | 2040.6 |

Navigating System Liquidity With Key Rates



Indian Debt Market Indicators

| Broad Indices | 16-May-25 | Week Ago |
|---------------------------|-----------|----------|
| 1 Year AAA Corporate Bond | 6.70% | 6.96% |
| 3 Year AAA Corporate Bond | 6.75% | 6.98% |
| 5 Year AAA Corporate Bond | 6.79% | 6.95% |
| 1 Year G-Sec | 5.81% | 6.00% |
| 3 Year G-Sec | 5.87% | 6.04% |
| 5 Year G-Sec | 6.00% | 6.16% |
| 10 Year G-Sec | 6.27% | 6.38% |

Green Indicates – Eased compared to the previous week

*after Adjustments figure with CRR requirement and TLTRO

Source: Bloomberg, RBI Website, KAMC Internal | All Data as on 15th May, 2025, Indian Debt Market Indicators data are as of 16-May-2025

Details as per latest data available publicly.

From Fund Management's Desk:

- US Treasury yields moved lower as markets assessed fresh economic data and developments in US-China trade talks. Sentiment improved after both countries agreed to a temporary 90-day tariff pause, easing concerns over a global trade war and US economic risks.
- India's headline inflation eased to 3.16% in April, marking the sixth consecutive monthly decline. The reading was lower than March's 3.34% and below the broad market expectation. Core CPI inflation remained steady at 4.2%.
- While inflation remains benign, growth prospects are muted amid rising uncertainties. We expect at least 50 bps of further repo rate cuts over the next six months.
- Banking system liquidity in India remains in surplus owing to various measures undertaken by the RBI. These measures are expected to continue until the RBI announces its dividend, likely in May 2025. The upcoming dividend announcement, along with monthly government expenditure, could make liquidity more comfortable and ease short-term rates further.
- Indian government bond yield curve remained volatile during the week, with T-bill and CD yields also witnessing fluctuations.
- **India's 10-year G-Sec yield could trade within the 6.20%-6.30% range in the near term.**

Source: Bloomberg, RBI Website, KMAMC Internal Research | Data as on 16th May, 2025 | Details as per latest data available publicly.

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