

Debt Report (As on June 18, 2018)

Interest Rates

- **Indian Ten Year GOI Yields (7.87%)**: In May 2018, the yields have registered a Monthly Close above the 50% Fibonacci retracement level of their fall from 9.47% (7.79%) which had acted as resistance at the February 2018 High of 7.81%. This is indicative of resumption of the medium-term up-move of the yields. A decisive Weekly Close above 7.94% would accelerate the up-move of the yields. The next key reaction zone of the yields is placed between 8.19% & 8.33%. However, the up-move of the yields could extend to test 8.75%. In the near term, the Yields have been correcting in the after forming a “Dark Cloud Cover” candlestick pattern on the Daily Chart. The area between 7.81% and 7.73% assumes importance as the immediate support zone on a Weekly Close basis. Sustaining above 7.73% on a Weekly Close basis would allow for the upside momentum in the yields to remain intact.
- **US Ten Year Treasury Yields (2.92%)**: The Yields are testing the critical resistance zone placed between 2.98% and 3.01% (Quarterly Close basis). A decisive Quarterly Close above 3.04% is needed to suggest medium term strength in the Yields. The Yields could then initially test 4.69%. Immediate support is placed at 2.86% (Weekly Close basis). Sustaining above the same would keep the near term up-side momentum intact.

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