

Debt Report (As on October 22, 2018)

Interest Rates

- **Indian Ten Year GOI Yields (7.93%)**: At the high of 8.23%, the yields have corrected from their resistance zone placed between 8.19% and 8.33%. However, they are currently testing their supports placed between 7.90% & 7.86%. Sustaining above 7.86% on a Weekly Close basis is key for the upside momentum of the yields to remain intact. A decisive Daily Close above 7.98% would trigger an up-move in the yields would allow for a revisit of the 8.23% (September 2018 High) - 8.33% (66% retracement level of the fall from the high of 9.47%) zone. Subsequently the yields would test the target placed at 8.75% (78.6% Fibonacci retracement level of the fall from 7.94%). A Weekly Close below 7.86% would lead to initial test of the key support zone placed between 7.73% and 7.67% (Weekly Close basis). Sustaining above 7.67% is key for the medium-term up-move of the yields to remain intact.
- **US Ten Year Treasury Yields (3.20%)**: The Yields have registered a marginal close above the critical resistance zone placed between 2.77% and 3.01% on a Quarterly Close basis. This suggests potential reversal of the long term down-move in the Yields. A decisive move past the May 2018 high of 3.12% is needed to further confirm the medium term strength in the Yields. The Yields could then initially test 4.69%. Immediate support zone is placed between 3.07% and 3.04% on a Weekly Close basis. Sustaining above the same would keep the upside momentum intact. Key near term support placed at 2.84% (Weekly Close basis).

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