

# **Bond Case Briefs**

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## **U.S. Bond Funds See Outflows for 19th Straight Week.**

May 20 (Reuters) – U.S. bond funds continued to face huge outflows in the week to May 19 on fears that the Federal Reserve would raise interest rates higher than previously expected to keep inflation under control.

According to Refinitiv Lipper data, investors offloaded U.S. bond funds worth \$8.39 billion in the 19th straight week of net selling.

U.S. Federal Reserve Chairman Jerome Powell said this week that the central bank will “keep pushing” to tighten U.S. monetary policy until it is clear that inflation is declining.

Investors sold U.S. municipal bond funds worth \$3.05 billion in their biggest disposal in three weeks and exited taxable funds worth \$5.52 billion.

U.S. high yield bond funds saw \$2.93 billion worth of liquidation, which was the biggest weekly net selling in five weeks, and short/intermediate investment-grade funds posted outflows of \$3.74 billion.

Meanwhile, U.S. short/intermediate government & treasury funds obtained inflows for a second straight week, worth \$3.4 billion.

U.S. equity funds suffered a sixth consecutive week of outflow, amounting to \$3.85 billion, although selling reduced 54% compared with a week ago.

U.S. large-cap equity funds received inflows of \$2.59 billion after five straight weeks of net selling, but small- and mid-cap funds faced outflows of \$1.83 billion and \$0.69 billion respectively.

U.S. growth and value funds, both witnessed net selling of \$1.7 billion and \$200 million, respectively.

Among sector funds, financials, and consumer discretionary posted outflows of \$1.34 billion and \$0.61 billion, but utilities and healthcare lured inflows worth \$0.78 billion and \$0.69 billion.

Meanwhile, investors drew \$20.31 billion out of U.S. money market funds as selling continued for a second week in a row.

*Reporting by Gaurav Dogra and Patturaja Murugaboopathyin Bengaluru; Editing by Hugh Lawson*