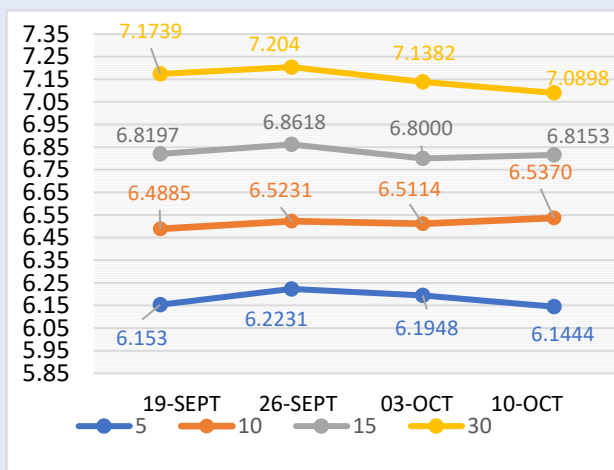
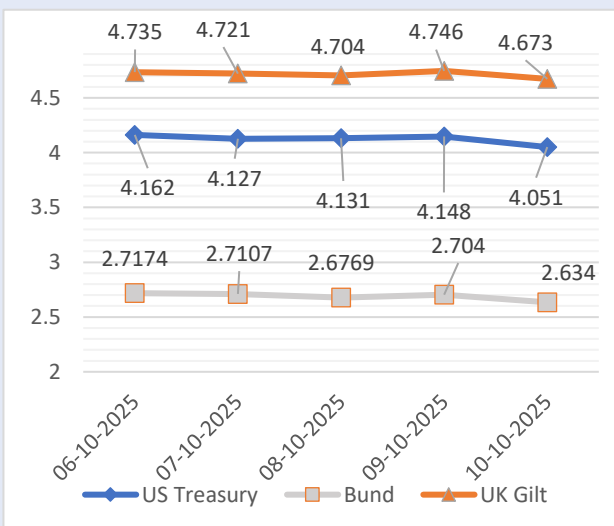


12TH OCTOBER 2025
MARKET OVERVIEW

	06 OCT	07 OCT	08 OCT	09 OCT	10 OCT
USD/INR	88.721	88.739	88.760	88.866	88.757
OIL	65.47	65.45	66.25	65.22	62.73
GOLD	3976	4004	4070	3972	4000
India 10 Y	6.5186	6.4483	6.5030	6.5239	6.5370
US 10 Y	4.162	4.127	4.131	4.148	4.051
NIFTY 50	25074	25112	25023	25158	25279
SENSEX	81784	81951	81775	82107	82471

INDIA BOND YIELD (%)

KEY 10-YR YIELDS (%)

Key headlines from the week:

The 10-year benchmark (6.33% GS 2035) yield concluded the week at 6.5370 at **2.56 bps** above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (2.56 bps above), 10Y UST (6.8 bps below), 10Y Bund (6.6 bps below), and 10Y UKT (2.3 bps below).

Total US consumer credit rose by \$0.36 billion in August 2025, sharply lower than the a revised \$18.1 billion gain in July and missing market expectations of a \$13.1 billion increase.

Japan's producer prices rose 2.7% year-on-year in September 2025, keeping the same pace as in the previous month but exceeding market forecasts of 2.5%.

The HCOB Germany Construction PMI edged up to 46.2 in September 2025 from 46 in August. Despite the uptick, the latest reading still pointed to a sustained contraction in overall building activity across the eurozone's largest economy, amid persistently weak demand.

Germany's industrial production fell by 4.3% month-over-month in August 2025, reversing a 1.3% increase in July and coming in well below market expectations of a 1% decline.

Bond Investments by Japanese abroad decreased by 926.60 billion yen in the week ending October 4 of 2025. Foreign Bond Investment in Japan averaged 171.06 JPY Billion from 2005 until 2025, reaching an all time high of 6790 JPY Billion in September of 2021 and a record low of -7827 JPY Billion in July of 2021.

Liquidity Operation by RBI

Date	VRR	MSF	SDF
SEPT 29	-	1897	158209
SEPT 30	85197	1850	175433
OCT 01	7370	651	184677
OCT 02	-	204	181620
OCT 03	-	1512	201622
OCT 04	-	313	178791

AVERAGE DAILY TURNOVER

Item	Week Ended		
	OCT 04. 2024	SEPT 26. 2025	OCT 03. 2025
	1	2	3
Call Money	14262	31298	21716
Notice Money	6871	1694	11930
Triparty Repo	727994	738792	856666
Market Repo	645890	681777	823769
Repo in Corporate Bond	5622	15960	16112

Most Actively Traded Debt.

Paper	Yield (%)	LTP
LARSEN AND TOUBRO LIMITED 7.66 NCD 09NV25 FVRS1LAC	6.0500	100.0969
HDFC BANK LIMITED SR-1 7.95 BD 21SP26 FVRS10LAC	6.6029	101.1588
POWER FINANCE CORPORATION LIMITED SR 253 6.73 BD 15OT27 FVRS1LAC	6.6400	100.1637
INDIGRID INFRASTRUCTURE TRUST SR AF 7.07 NCD 20JU30 FVRS1LAC	7.2552	100.000

Indian Market update:

HSBC India Composite PMI slipped to 61.0 in September 2025, below the flash estimate of 61.9 and August's 63.2, marking the lowest level since June. Although still comfortably above its long-run average, the latest data pointed to a broad-based slowdown in output growth across both manufacturing and services.

India's largest bank is set to return to the rupee debt market after a year with plans to raise funds through Basel III-compliant tier II bonds this month, three sources familiar with the matter said on Friday.

India's sovereign bond market shows positive signs with a dovish monetary policy and lower state borrowing. However, market participants remain cautious, anticipating limited yield softening due to uncertainty around rate cut timing and potential foreign investor demand pressure. State borrowings for the third quarter are within expected limits, but any uneven distribution could impact rallies.

Indian government bond yields are poised for movement following a state debt auction today. States plan to borrow 94.10 billion rupees. This borrowing is lower than market expectations. Increased investment limits by state-owned banks are also supporting sentiment. The Reserve Bank of India's recent policy stance suggests a potential rate cut in December.

UPCOMING AUCTIONS

14TH October – RBI announced the SDL auction, in which 8 states will be raising aggregating to 12,800 crores.

15TH October – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 7,000, 6000, & 6000 crores respectively.

INR – DOLLAR EXCHANGE

	06 OCT	07 OCT	08 OCT	09 OCT	10 OCT
OPEN	88.7	88.7	88.7	88.7	88.8
HIGH	88.8	88.7	88.8	88.8	88.8
LOW	88.6	88.6	88.7	88.6	88.4
CLOSE	88.7	88.7	88.7	88.8	88.7

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.50	5.50
USA	4.25	4.50
UK	4.00	4.25
CHINA	3.00	3.10
EURO AREA	2.15	2.40
JAPAN	0.50	0.50

Key Events

DATE	EVENTS
13-OCT	China Trade, India Inflation, Germany Current Account
14-OCT	France IEA Oil Market Report, Eurozone ZEW Economic Sentiment, Germany Inflation, India WPI, Singapore GDP, Australia RBA Meeting Minutes,
15-OCT	US Inflation, Germany Wholesale Prices, Eurozone Industrial Production, India Unemployment
16-OCT	US PPI, US Retail Sales, US Initial Jobless Claims, UK monthly GDP, incl. Manufacturing, Services and Construction Output, Eurozone Balance of Trade, South Korea Unemployment Rate
17-OCT	US Industrial Production, US Capacity Utilization, Eurozone Inflation, US Building Permits, US Housing Starts

Currency Movement:

The Reserve Bank of India announced new steps to boost the Indian Rupee's global use. Banks will now lend Rupees to non-residents in Bhutan, Nepal, and Sri Lanka for trade. The RBI plans to create clear reference rates for major trading partner currencies. Special Rupee Vostro Account balances will become eligible for corporate bond and commercial paper investments.

Rising gold prices and uncertainty in the world economy are pushing the Indian rupee closer to its historic low vs the US dollar. The rupee was trading at 85.70 on Friday morning, just above its all-time low of 88.80 that was set earlier this week. Goldman Sachs analysts pointed out that the Indian rupee is especially susceptible to spikes in the price of gold and silver, with a 20% increase in gold prices having the greatest negative impact on currencies such as the Indian rupee.

Foreign Exchange Reserves in India decreased to 699960 USD Million in October 3 from 700240 USD Million in the previous week. Foreign Exchange Reserves in India averaged 308565.12 USD Million from 1998 until 2025, reaching an all-time high of 704890 USD Million in September of 2024 and a record low of 29048 USD Million in September of 1998.

Key updates and week ahead:

US Outlook: A prolonged government shutdown may delay key data releases, adding uncertainty, though inflation and production figures remain crucial for gauging further Fed rate cuts.

Global Trade Impact: Trade and industrial data from the US, China, and Eurozone will reveal the effects of US tariffs and whether fiscal measures are cushioning global growth.

UK Economy: The UK's GDP and labour market data will be in focus as the economy shows signs of stagnation, with steep job losses and weak PMIs heightening the risk of a Bank of England rate cut. Two MPC members already voted for a cut at the last meeting, and further soft data could strengthen the case for monetary easing.