SOVEREIGN global

WEEKLY REPORT

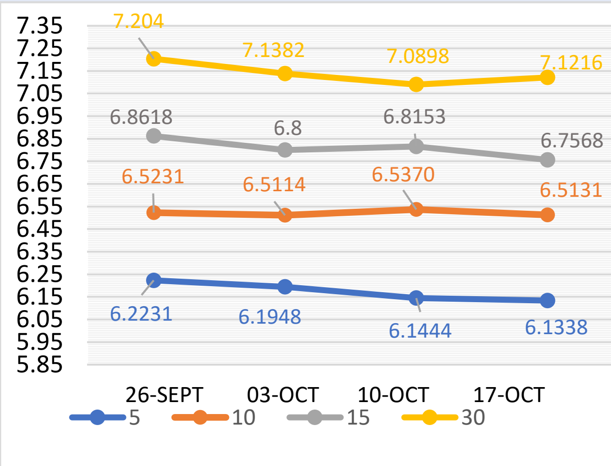
INDIAN DEBT MARKET

19TH OCTOBER 2025

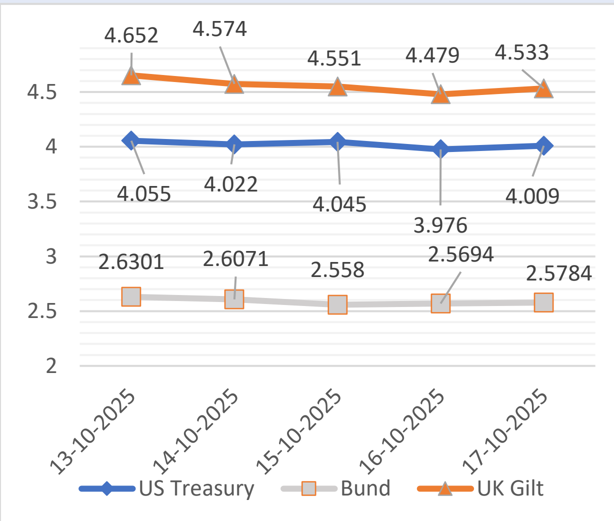
MARKET OVERVIEW

	13 OCT	14 OCT	15 OCT	16 OCT	17 OCT
USD/INR	88.665	88.782	87.810	87.991	88.003
OIL	63.32	62.39	61.91	61.06	61.29
GOLD	4133	4163	4201	4378	4306
India 10 Y	6.5198	6.5063	6.4799	6.5000	6.5131
US 10 Y	4.055	4.022	4.045	3.976	4.009
NIFTY 50	25238	25122	25328	25566	25696
SENSEX	82352	81958	82628	83383	83944

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 6.5131 at **2.39 bps** below the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (2.39 bps below), 10Y UST (1 bps below), 10Y Bund (8 bps below), and 10Y UKT (14 bps below).

Consumer Price Index CPI In the Euro Area increased to 129.43 points in September from 129.31 points in August of 2025. Consumer Price Index CPI in the Euro Area averaged 94.29 points from 1996 until 2025, reaching an all time high of 129.43 points in September of 2025 and a record low of 70.97 points in January of 1996.

The UK's monthly real GDP rose by 1.3% year-on-year in August 2025, following an upwardly revised 1.5% increase in the previous month, in line with market expectations. Monthly GDP YoY in the United Kingdom averaged 1.87 percent from 1998 until 2025, reaching an all time high of 30 percent in April of 2021 and a record low of -24.30 percent in April of 2020.

Eurozone industrial production slipped 1.2% month-over-month in August 2025, reversing an upwardly revised 0.5% gain in July and narrowly beating market expectations of a 1.6% drop. Capital goods output was the main drag, falling 2.2% after a 1.7% increase in July, followed by declines in durable consumer goods.

Central Bank Balance Sheet in the United States increased to 6596454 USD Million in October 15 from 6590815 USD Million in the previous week. Central Bank Balance Sheet in the United States averaged 3889616.00 USD Million from 2002 until 2025, reaching an all time high of 8965487.00 USD Million in April of 2022 and a record low of 712809.00 USD.

Liquidity Operation by RBI

Date	VRR	MSF	SDF
OCT 06	-	1158	169737
OCT 07	-	1430	158517
OCT 08	-	1231	139538
OCT 09	-	15771	133799
OCT 10	37929	2783	194925
OCT 11	-	1780	165273

AVERAGE DAILY TURNOVER

Item	Week Ended		
	OCT 11. 2024	OCT 03. 2025	OCT 10. 2025
	1	2	3
Call Money	15954	21716	27723
Notice Money	1337	11930	3013
Triparty Repo	616134	856666	683446
Market Repo	498845	823769	742310
Repo in Corporate Bond	4519	16112	17407

Most Actively Traded Debt.

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 26A 6.66 BD 12OT28 FVRS1LAC	6.6950	99.9012
BAJAJ FINANCE LIMITED 7.90 SR 286 TR 9 LOA 17NV25 FVRS10LAC	6.5500	100.0740
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR I 6.66 BD 25OT28 FVRS1LAC	6.7300	99.7930
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23I 7.62 LOA 31JN28 FVRS1LAC	6.6700	101.8971

Indian Market update:

India's unemployment rate rose slightly to 5.2% in September 2025 from 5.1% in August, in line with market expectations, following two consecutive months of declines. The uptick was driven by higher unemployment in rural areas (4.6% vs 4.3%) and a modest rise in urban areas (6.8% vs 6.7%). Among females, the rate increased to 9.3% in urban areas (from 8.9%) and 5.5% in rural areas (from 5.2%), while male unemployment saw moderate gains in both rural (4.7% vs 4.5%) and urban regions (6.0% vs 5.9%). Despite the rise in unemployment, the employment rate increased to 52.4% and the labor force participation rate climbed to 55.3%, marking their highest levels since April.

India's consumer price inflation eased to 1.54% in September 2025, down from 2.07% in August and below market expectations of 1.7%. This marked the lowest rate since June 2017 and fell below the Reserve Bank of India's 2% lower tolerance limit under its inflation-targeting framework. Food prices, which account for nearly half of the CPI basket, dropped 2.28%, marking the largest decline since a record 2.65% fall in December 2018.

India's wholesale prices rose by 0.13% year-on-year in September 2025, falling short of market expectations for a 0.5% increase and slowing from a 0.52% rise in August, which was the fastest pace since April. The slowdown was primarily driven by a decline in food prices and moderating manufacturing costs. Food prices fell 1.99% in September, reversing a 0.21% rise in August.

UPCOMING AUCTIONS

20TH October – RBI announced the SDL auction, in which 5 states will be raising aggregating to 17,000 crores.

23RD 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

	13 OCT	14 OCT	15 OCT	16 OCT	17 OCT
OPEN	88.7	88.6	88.7	87.7	87.9
HIGH	88.7	88.8	88.7	88.0	88.1
LOW	88.5	88.6	87.8	87.6	87.7
CLOSE	88.6	88.7	87.8	87.9	88.0

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
20-OCT	Germany PPI, Eurozone Current Account, China Loan Prime Rate, China GDP, China Unemployment Rate
21-OCT	Canada Inflation, New Zealand Trade
22-OCT	UK Inflation, Japan Trade
23-OCT	South Korea BoK Interest Rate Decision, Eurozone Consumer Confidence, US Chicago Fed National Activity Index, Canada Retail Sales, Hong Kong SAR Inflation
24-OCT	US CPI, US UoM Sentiment, - UK Gfk Consumer Confidence, Japan Inflation, Singapore Industrial Production, US S&P Global Flash PMI, Manufacturing & Services

Currency Movement:

Foreign Exchange Reserves in India decreased to 697780 USD Million in October 10 from 699960 USD Million in the previous week. Foreign Exchange Reserves in India averaged 308841.16 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.

Deposit Growth in India increased to 9.90 percent in the week ending October 3 from 9.50 percent two weeks before. Deposit Growth in India averaged 14.77 percent from 1998 until 2025, reaching an all-time high of 29.30 percent in January of 2008 and a record low of 2.70 percent in December of 2017.

The Indian rupee soared to post its best one-day gain in nearly four months on Wednesday, powered by firm central bank intervention supporting the currency while traders also cited unwinding of bearish wagers on the currency. The rupee closed at 88.0750 against the U.S. dollar, up 0.8% on the day, its strongest performance since June 25.

Key updates and week ahead:

Global Focus: October's flash PMI releases will be crucial in assessing the direction of global economic momentum amid ongoing uncertainty caused by the US government shutdown, which has delayed key official data such as CPI. These PMI surveys will provide early signals on growth, inflation, and business sentiment across major economies in the absence of official releases.

US and Europe: The US PMI will show if growth momentum continues after the first Fed rate cut, while the Eurozone PMI will be watched for signs of sustained recovery, with attention on the impact of France's political turmoil and Germany's fiscal measures.

UK and China: The UK faces stagnation risks as weak PMIs and high inflation persist, while China's Q3 GDP is expected to slow to around 4.7%, with softer industrial and retail indicators confirming moderating growth.