

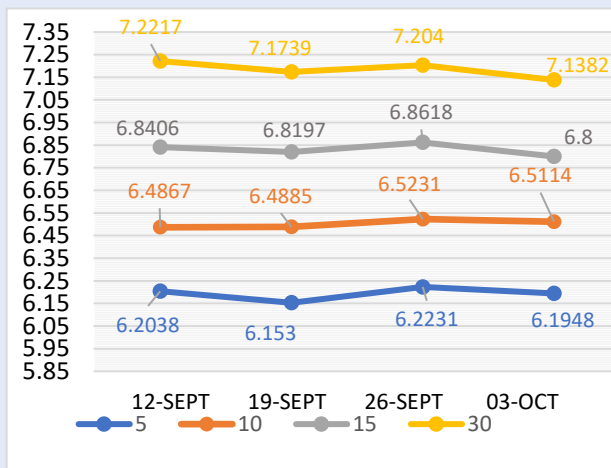


5<sup>TH</sup> OCTOBER 2025

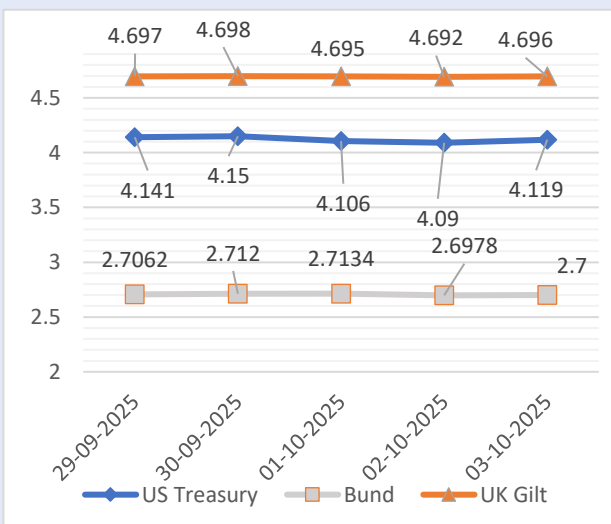
### MARKET OVERVIEW

|            | 29 SEPT | 30 SEPT | 01 OCT | 02 OCT | 03 OCT |
|------------|---------|---------|--------|--------|--------|
| USD/INR    | 88.704  | 88.841  | 88.683 | 88.720 | 88.735 |
| OIL        | 67.97   | 67.02   | 65.35  | 64.11  | 64.53  |
| GOLD       | 3855    | 3873    | 3897   | 3868   | 3908   |
| India 10 Y | 6.5547  | 6.5770  | 6.5166 | -      | 6.5114 |
| US 10 Y    | 4.141   | 4.150   | 4.106  | 4.090  | 4.119  |
| NIFTY 50   | 24683   | 24636   | 24854  | -      | 24893  |
| SENSEX     | 80543   | 80352   | 81036  | -      | 81196  |

### 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 6.5114 at **1.17 bps** below the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (1.17 bps below), 10Y UST (7.8 bps below), 10Y Bund (7.9 bps below), and 10Y UKT (7.7 bps below).

Industrial producer prices in the Euro Area declined 0.3% month-on-month in August 2025, reversing two consecutive months of increases and missing market expectations of a 0.1% drop. Energy costs fell 1.3% (vs. +1.7% in July), while intermediate goods prices edged down 0.1%, marking the fifth straight month of decline. Durable consumer goods prices also slipped 0.1% (vs. +0.1% in July). Conversely, modest upward pressure came from capital and intermediate goods prices, each rising 0.1%. On a yearly basis, producer prices fell 0.6% in August, the first annual decline since November 2024 and larger than the expected 0.4% drop.

Bond Investments by Japanese abroad decreased by 162 billion yen in the week ending September 27 of 2025. Foreign Bond Investment in Japan averaged 172.07 JPY Billion from 2005 until 2025, reaching an all-time high of 6790.00 JPY Billion in September of 2021 and a record low of -7827.00 JPY Billion in July of 2021.

Private businesses in the US cut 32K jobs in September 2025, following a revised loss of 3K in August, defying forecasts of a 50K gain. It marks the steepest job decline since March 2023 and the first time since 2020 that the private sector has cut jobs for two consecutive months.

### Liquidity Operation by RBI

| Date    | VRR    | MSF  | SDF    |
|---------|--------|------|--------|
| SEPT 22 | 21151  | 6679 | 66129  |
| SEPT 23 | 140516 | 328  | 123947 |
| SEPT 24 | 48980  | 403  | 93350  |
| SEPT 25 | 69060  | 2688 | 95049  |
| SEPT 26 | 90931  | 385  | 147590 |
| SEPT 27 | -      | 2966 | 136939 |

### AVERAGE DAILY TURNOVER

| Item                   | Week Ended          |                     |                     |
|------------------------|---------------------|---------------------|---------------------|
|                        | SEPT<br>27.<br>2024 | SEPT<br>19.<br>2025 | SEPT<br>26.<br>2025 |
|                        | 1                   | 2                   | 3                   |
| Call Money             | 18628               | 34205               | 31298               |
| Notice Money           | 1013                | 8643                | 1694                |
| Triparty Repo          | 678781              | 857666              | 738792              |
| Market Repo            | 548987              | 811438              | 681777              |
| Repo in Corporate Bond | 5566                | 14021               | 15960               |

### Most Actively Traded Debt.

| Paper   | Yield (%) | LTP      |
|---|-----------|----------|
| TELANGANA STATE INDUSTRIAL INFRASTRUCTURE CORPORATION LIMITED SR I 2024-25 F 9.35 NCD 31DC32 FVRS1LAC | 9.1579    | 102.0500 |
| REC LIMITED SR 239 BD 03NV34 FVRS1LAC   | 6.3900    | 56.9500  |
| TATA CAPITAL HOUSING FINANCE LIMITED SR B 8.10 NCD 13DC28 FVRS1LAC                                    | 7.0600    | 102.8247 |
| IIFL FINANCE LIMITED SR D33 OP B 9.25 NCD 24JU32 FVRS1LAC   | 9.4836    | 101.8800 |

### Indian Market update:

unchanged at 5.50% during its October 2025 meeting, in line with market expectations. The decision comes amid easing inflation, as the central bank assesses the impact of earlier rate cuts and recent tax reductions, against a backdrop of global trade uncertainties. The repo rate remains at its lowest level since August 2022, following a cumulative 100 basis point reduction since the beginning of the year.

The Reserve Bank of India kept the Cash Reserve Ratio (CRR) currently stands at 3.75%. Earlier in June, the central bank had announced a 100-basis-point reduction—from 4% to 3%—to be implemented in four phases of 25 basis points each, beginning September 2025.

Foreign Exchange Reserves in India decreased to 700240 USD Million in September 26 from 702570 USD Million in the previous week. Foreign Exchange Reserves in India averaged 308287.14 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.

Indian government bond yields declined on Friday, with the 10-year benchmark hovering around 6.50% as the market awaited a new 320-billion-rupee security auction. The Reserve Bank of India's unchanged policy rate and revised forecasts, coupled with easing OIS rates, have fuelled market expectations for a rate cut in December.

### UPCOMING AUCTIONS

- **7<sup>TH</sup> October** – RBI announced the SDL auction, in which 5 states will be raising aggregating to 9410 crores.

**8<sup>TH</sup> 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

|              | 29<br>SEPT | 30<br>SEPT | 01<br>OCT | 02<br>OCT | 03<br>OCT |
|--------------|------------|------------|-----------|-----------|-----------|
| <b>OPEN</b>  | 88.6       | 88.7       | 88.7      | 88.6      | 88.7      |
| <b>HIGH</b>  | 88.8       | 88.8       | 88.8      | 88.8      | 88.8      |
| <b>LOW</b>   | 88.6       | 88.6       | 88.6      | 88.5      | 88.6      |
| <b>CLOSE</b> | 88.7       | 88.8       | 88.6      | 88.7      | 88.7      |

## INTEREST RATES

| COUNTRY          | CURRENT | PREVIOUS |
|------------------|---------|----------|
| <b>INDIA</b>     | 5.50    | 5.50     |
| <b>USA</b>       | 4.25    | 4.50     |
| <b>UK</b>        | 4.00    | 4.25     |
| <b>CHINA</b>     | 3.00    | 3.10     |
| <b>EURO AREA</b> | 2.15    | 2.40     |
| <b>JAPAN</b>     | 0.50    | 0.50     |

## Key Events

| DATE   | EVENTS   |
|--------|--|
| 06-OCT | India HSBC Services PMI, UK S&P Global Construction PMI, Eurozone, France, Germany, Italy HCOB Construction PMI            |
| 07-OCT | US Trade, Germany Factory Orders, France Trade, UK Halifax House Price Index Japan Household Spending                      |
| 08-OCT | US Fed FOMC Minutes, Germany Industrial Production, New Zealand RBNZ Interest Rate Decision, US EIA Crude Oil Stock Change |
| 09-OCT | US Fed Powell Speech, US initial Jobless Claims, US Wholesale Inventories  |
| 10-OCT | Global GEP Supply Chain Volatility Index, US University of Michigan Consumer Sentiment, Italy Industrial Production        |

## 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.

The Indian rupee closed slightly weaker on Friday, steadying just above its all-time low amid U.S.-India trade frictions and portfolio outflows. Despite frequent central bank interventions preventing steeper losses, the currency remained under pressure, with analysts forecasting further depreciation past 89.00 against the dollar.

The move will increase participation in the corporate bond market and make SRVAs attractive as it could fetch higher returns. The SRVA mechanism was introduced by the RBI in July 2022 to facilitate the settlement of international trade transactions in Indian rupees. Under the revised norms, Investments in corporate debt will be counted under the General Route limit for foreign portfolio investors (FPIs). Minimum residual maturity and issue-wise limits applicable to FPIs will not apply to SRVA-based investments.

## Key updates and week ahead:

**US Outlook:** The upcoming FOMC minutes and Fed Chair Jerome Powell's speech will offer insights into the divided policy stance following September's rate cut, as the Fed weighs a softening labour market against persistent inflation risks.

**Europe Focus:** UK and Eurozone data—including PMIs, retail sales, and labour indicators—will gauge whether tentative signs of recovery continue amid weak job markets and subdued domestic demand.

**Asia-Pacific Developments:** Central banks in New Zealand, Thailand, and the Philippines meet, with special attention on New Zealand's new RBNZ governor Anna Breman, who faces recession risks after recent rate cuts.