



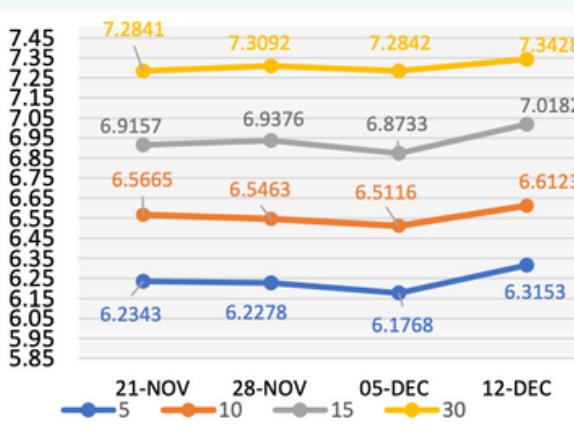
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 14th December 2025

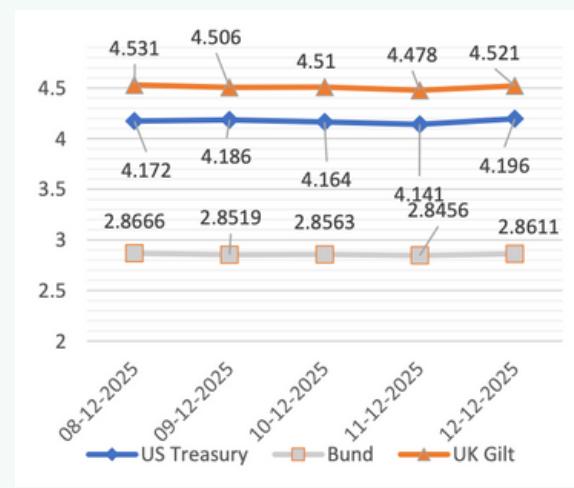
MARKET OVERVIEW

MARKET	08 DEC	09 DEC	10 DEC	11 DEC	12 DEC
USD/INR	90.130	89.917	89.917	79.973	90.584
OIL	62.49	61.94	62.21	61.28	61.12
GOLD	4217	4236	4224	4313	4348
India 10yr	6.5697	6.6161	6.664	6.6122	6.6123
US 10yr	4.172	4.186	4.164	4.141	4.196
NIFTY 50	25934	25841	25741	25894	26042
SENSEX	84989	84686	84370	84791	85264

INDIA BOND YEILD (%)



KEY 10-YR YEILDS (%)



Key Headlines from the week:

The 10-year benchmark (6.33% GS 2035) yield concluded the week at 6.6123 at 3.3 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (3.3 bps above), 10Y UST (5.7 bps above), 10Y Bund (6.01 bps above), and 10Y UKT (4.3 bps above).

The Federal Reserve cut the federal funds rate by 25 bps to a range of 3.5%–3.75% in its December 2025 meeting, following similar reductions in September and October, and in line with expectations. This brings borrowing costs to their lowest level since 2022.

Japan's economy shrank 2.3% annualized in Q3 2025, steeper than the initial estimate of a 1.8% drop and market estimates of a 0.5% decline. It marked the first yearly contraction in six quarters and the fastest pace in two years, reversing a downwardly revised 2.1% expansion in Q2, with capital expenditure falling for the first time in three quarters as higher borrowing costs discouraged investment.

The GDP in the United Kingdom grew 1.1% year-on-year in October 2025, the same as in September and below forecasts of 1.4%. 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.

Japan's industrial production rose 1.5% month-on-month in October 2025, slightly above the flash estimate of 1.4% but slower than the 2.6% increase in September. It marked the second consecutive monthly gain, supported by continued strength across key sectors.





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Liquidity Operation by RBI

DATE	VRER	MSF	SDF
DEC 01	-	808	212277
DEC 02	-	780	173009
DEC 03	-	806	158529
DEC 04	-	810	146034
DEC 05	-	2101	139697
DEC 06	-	523	117007

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	DEC 06 2024	NOV 28 2025	DEC 05 2025
	1	2	3
Call Money	15780	30785	26949
Notice Money	4587	9265	9156
Triparty Repo	719747	915718	684359
Market Repo	512219	837027	74539
Corporate Bond Repo	5835	14008	14748

MOST ACTIVELY TRADED DEBT.

PAPER	YIELD (%)	LTP
TATA PROJECTS LIMITED SR W 7.39 NCD 01DC28 FVRS1LAC	7.3807	100.000
GODREJ FINANCE LIMITED SR D2 STRPP1 7.5 NCD 29SP28 FVRS1LAC	7.5200	99.8885
CRASIM INDUSTRIES LTD SR I 6.56 NCD 06JU30 FVRS1LAC	6.9400	98.5807
INDIAN RAILWAY FINANCE CORPORATION LIMITED SR 192 BD 01DC35 FVRS1 LAC	6.8027	51.8904

INDIAN MARKET UPDATE

The Consumer Price Index in India increased 0.30 percent in November of 2025 over the previous month. Inflation Rate MoM in India averaged 0.46 percent from 2011 until 2025, reaching an all-time high of 2.93 percent in July of 2023 and a record low of -1.55 percent in December of 2013.

India's government bond market could see a major boost as Bloomberg Index Services is expected to include Indian bonds in its Global Aggregate Index from April 1, 2026, a move that could bring in \$20-25 billion of foreign investment.

Foreign Exchange Reserves in India increased to 687260 USD Million in December 5 from 686230 USD Million in the previous week. Foreign Exchange Reserves in India averaged 310997.61 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

The value of loans in India increased 11.50 percent in November of 2025 over the same month in the previous year. Loan Growth in India averaged 11.75 percent from 2012 until 2025, reaching an all time high of 20.80 percent in December of 2023 and a record low of 4.10 percent in March of 2017.

Money Supply M3 in India increased to 29136375 INR Billion in the week ending November 28 from 289454.93 INR Billion two weeks before. Money Supply M3 in India averaged 78856.86 INR Billion.

UPCOMING AUCTIONS

16TH December – RBI announced the SDL auction, in which 10 states will be raising aggregating to 17,850 crores.

17TH December – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 7,000, 6000, & 6000 crores respectively





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INR DOLLAR EXCHANGE

	08 DEC	09 DEC	10 DEC	11 DEC	12 DEC
OPEN	89.9	90.1	89.9	89.8	90.1
HIGH	90.2	90.2	90.0	90.4	90.6
LOW	89.9	89.8	89.7	89.8	90.1
CLOSE	90.1	89.9	89.7	90.2	90.5

CURRENCY MOVEMENT

Foreign investors have pulled out ₹11,820 crore (\$1.3 billion) from Indian equities in the first week of December, primarily driven by the sharp depreciation of the rupee. This sharp withdrawal follows a net outflow of ₹3,765 crore in November, further pressuring markets. Foreign investors have pulled out ₹11,820 crore (\$1.3 billion) from Indian equities in the first week of December, primarily driven by the sharp depreciation of the rupee. These outflows come after a brief pause in October.

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.25	5.50
USA	4.00	4.25
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
15- DEC	China Unemployment Rate, India Unemployment Rate, Eurozone Industrial Production, India WPI
16- DEC	US ADP Weekly Employment Change, US Non-Farm Payrolls, Unemployment Rate, Average Hourly Earnings, US Retail Sales
17- DEC	UK Inflation, Japan Machinery Orders, Eurozone Inflation
18- DEC	US CPI, US Initial Jobless Claims, US Philadelphia Fed Manufacturing Index, Eurozone ECB Interest Rate Decision, UK BoE Interest Rate Decision
19- DEC	US UoM Sentiment, Eurozone Consumer Confidence, Germany PPI, Japan BoJ Interest Rate Decision, Eurozone Consumer Confidence

The Indian rupee slipped on Wednesday, ending a session of back-and-forth price action shaped by portfolio flows, likely maturity of positions in the non-deliverable forwards market and caution ahead of the Federal Reserve's policy decision. The rupee plunged 54 paise to an all-time low of 90.48 against the U.S. dollar in intra-day trade on Thursday (December 11, 2025) after reports surfaced that the India-U.S. trade deal is likely by March 2026.

KEY UPDATES AND WEEK AHEAD:

Global Central Bank Focus: Policy decisions from nine major central banks dominate the week. After the Fed's December rate cut, attention turns to the BoE (finely balanced, cut possible), ECB (expected to hold through 2026) and BoJ (expected to hike), reflecting divergent inflation and growth dynamics across economies,

Key Economic Data & Policy Signals: Critical releases include flash December PMIs, US nonfarm payrolls and CPI, and inflation data for the US, UK and eurozone. UK PMIs will also offer the first read on business reaction to the Autumn Budget, while Japan's Tankan survey, trade and inflation data will inform the BoJ's tightening outlook.

Growth vs Inflation Backdrop : PMI data suggest moderating growth in the US and India, improving momentum in the eurozone and Australia, and slowing activity in the UK amid policy uncertainty. US labour and inflation data remain firm, with payrolls and CPI still not clearly consistent with further near-term easing.

