



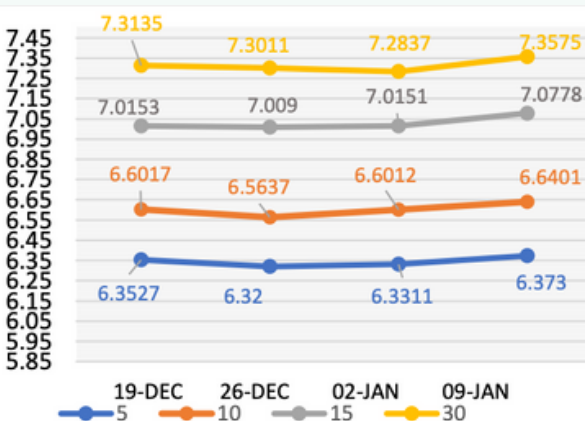
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 10th January, 2026

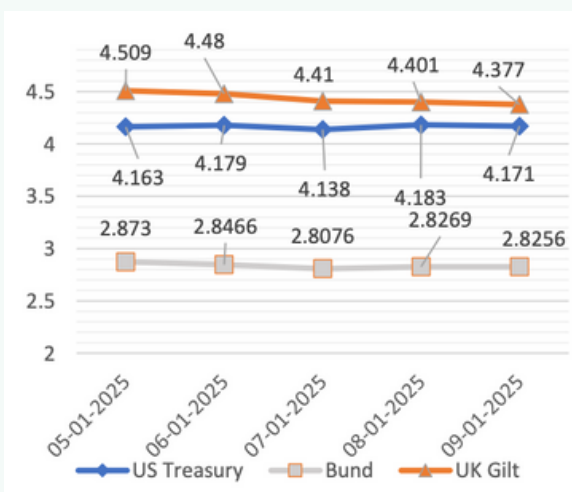
MARKET OVERVIEW

MARKETS	05 JAN	06 JAN	07 JAN	08 JAN	09 JAN
USD/INR	90.223	90.108	89.864	89.905	90.066
OIL	61.76	60.70	59.96	61.99	62.28
GOLD	4451	4496	4462	4460	4479
India 10yr	6.6331	6.6137	6.6105	6.6290	6.6401
US 10yr	4.163	4.179	4.138	4.183	4.171
NIFTY 50	26244	26174	26096	25868	25704
SENSEX	85440	85028	84970	84163	83639

INDIA BOND YEILD (%)



KEY 10-YR YEILDS (%)



Key Headlines from the week:

The 10-year benchmark (6.48% GS 2035) yield concluded the week at 6.401 at 3.39 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (3.39 bps above), 10Y UST (1.8 bps below), 10Y Bund (4.74 bps below), and 10Y UKT (16.4 bps below).

US-based employers announced 35,553 job cuts in December 2025, the lowest since July 2024, down from 71,321 in November and 8% below the level seen in December 2024.

Industrial producer prices in the Euro Area rose 0.5% month-over-month in November 2025, following a 0.1% increase in October and above market expectations of 0.2%.

The Consumer Price Index in China increased 0.20 percent in December of 2025 over the previous month.

China's producer prices fell 1.9% year-on-year in December 2025, easing from a 2.2% decline in November and extending the contraction to a 39th consecutive month.

Germany's industrial output rose 0.8% month on month in November 2025, easing from a revised 2.0% increase in October and beating forecasts of a 0.4% decline.

Industrial production in France fell 0.1% month-on-month in November 2025, following a 0.2% gain in October and compared with expectations of a flat reading.

Money Supply M4 in the United Kingdom decreased 0.2% month-over-month to 3174188 GBP Million in October 2025.





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Liquidity Operation by RBI

DATE	VRRR	MSF	SDF
DEC 29	-	3413	145638
DEC 30	143718	1203	147105
DEC 31	30770	1936	204547
JAN 1	57797	5230	97680
JAN 2	25795	1716	99641
JAN 3	-	540	87471

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	JAN 03 2025	DEC 26 2025	JAN 02 2026
	1	2	3
Call Money	15234	28949	22478
Notice Money	5517	1914	9620
Triparty Repo	770717	773807	899496
Market Repo	614692	650252	761503
Corporate Bond Repo	8232	14861	12823

MOST ACTIVELY TRADED DEBT.

Paper	Yield (%)	LTP
REC LIMITED SR 205B 5.94 BD 31JN26 FVRS10LAC	6.3017	99.9602
STATE BANK OF INDIA SR 1 AT1 7.98 BD PP FVRS1CR	7.5307	102.7686
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23I 7.62 LOA 31JN28 FVRS1LAC	6.9200	101.2900
POWER FINANCE CORPORATION LIMITED SR BS225A 7.77 BD 15JL26 FVRS1LAC	7.000	100.3893

INDIAN MARKET UPDATE

Indian sovereign bonds eligible for inclusion in global indexes are on track for a record monthly outflow, as a weaker rupee and signs the central bank is nearing the end of its interest-rate cut cycle weigh on sentiment. Global funds have sold 143 billion rupees (\$1.6 billion) of bonds so far in December, according to Clearing Corporation of India data. That marks the biggest outflow since the so-called Fully Accessible Route – a framework under which select government bonds have no foreign investment restrictions – was created in 2020.

Deposit Growth in India increased to 12.70 percent in the week ending December 26 from 9.40 percent two weeks before. Deposit Growth in India averaged 14.74 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 manufacturing output in India expanded by 8% annually in November of 2025, according to a preliminary estimate, following the upwardly revised 2% increase in the previous month.

The HSBC India Composite PMI slipped to 57.8 in December 2025, below the flash estimate of 58.9 and down from 59.7 in November. The latest reading marked the lowest since the beginning of the year, reflecting slower momentum across both manufacturing and services sectors.

Money market operations on January 07, 2025: Overnight segment totaled ₹663180.86 crores at a 5.22% weighted average rate. The segment's significant operations included triparty repo at ₹445876.75 crore and 5.19%. RBI's net liquidity absorption stood at ₹325160 crore

UPCOMING AUCTIONS

13TH January – RBI announced the SDLauction, in which 11 states will be raising aggregating to 26,815 crores.

14TH January – RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 9,000, 12000, & 8000 crores respectively.





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INR DOLLAR EXCHANGE

	05 JAN	06 JAN	07 JAN	08 JAN	09 JAN
OPEN	90.1	90.2	90.1	89.8	89.8
HIGH	90.3	90.2	90.2	90.1	90.2
LOW	90.0	90.0	89.8	89.7	89.8
CLOSE	90.2	90.1	89.8	88.9	90.0

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.25	5.50
USA	4.00	4.25
UK	3.75	4.00
CHINA	3.00	3.10
EURO AREA	2.15	2.40
JAPAN	0.75	0.50

KEY EVENTS

DATE	EVENTS
12- JAN	UK KPMG/REC Report on Jobs, Germany Current Account, Australia Household Spending
13- JAN	US ADP Weekly Employment change, US ADP Weekly Employment change, Japan Current Account, US CPI
14- JAN	US PPI, US Retail Sales, India WPI, China (Mainland) Balance of Trade
15- JAN	India Balance of Trade, Eurozone Balance of Trade, UK monthly GDP, incl. Manufacturing, Services and Construction Output, US Export and Import Prices
16- JAN	Canada Housing Starts, US Industrial Production, Germany Inflation, Singapore Non-Oil Domestic Exports, Malaysia GDP, US Industrial Production

CURRENCY MOVEMENT

Foreign Exchange Reserves in India decreased to 686800 USD Million in January 2 from 696610 USD Million in the previous week. Foreign Exchange Reserves in India averaged 312067.71 USD Million from 1998 until 2026, 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 Indian rupee ended higher for second consecutive session on Wednesday on likely dollar sales from state-run banks, which traders said could be on behalf of the central bank, helping reverse the pressure from slightly softer Asian cues. The rupee ended 0.3% higher at 89.88, its highest closing level in a week, after closing at 90.1650 in the previous session. It hit an intraday high of 89.86.

The Indian rupee slipped on Friday, pressured by dollar demand linked to maturing non-deliverable forward positions and corporate hedging as global markets awaited a key U.S. Supreme Court ruling on trade tariffs. The currency closed at 90.1625 against the U.S. dollar, down 0.1% on the day but little changed week-on-week.

KEY UPDATES AND WEEK AHEAD:

Inflation in Focus – US & Eurozone:

December US CPI will be closely watched after data disruptions from the government shutdown cast doubt on earlier inflation readings. With headline inflation at 2.7% and core at 2.6%, the Fed remains split between supporting a softening labour market and guarding against sticky inflation. Markets currently expect the next US rate cut around June, with additional US data on retail sales, industrial production and PPI also due.

UK Growth & Labour Market Weakness:

Monthly UK GDP and sectoral output data for November will guide Q4 growth expectations after two consecutive monthly contractions and negative three-month growth. PMI surveys point to stalled business activity, while elevated job losses linked to higher employment taxes and minimum wage changes keep the KPMG/REC jobs survey firmly in focus.

