



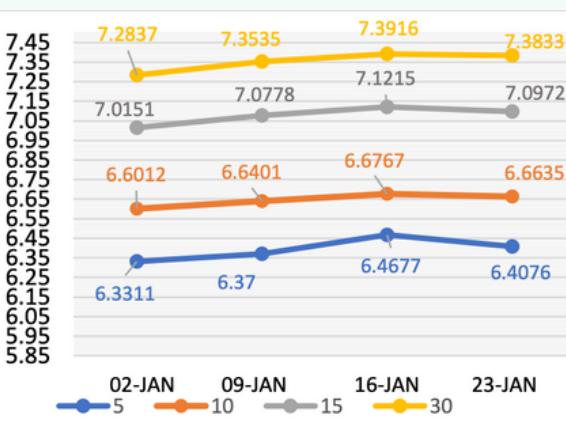
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 25th January, 2026

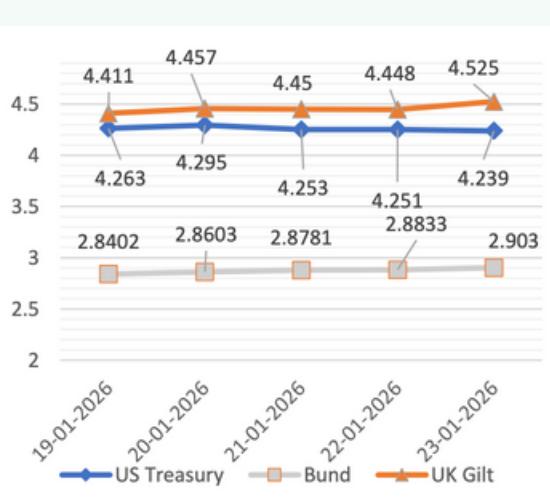
MARKET OVERVIEW

MARKET	19 JAN	20 JAN	21 JAN	22 JAN	23 JAN
USD/INR	90.91	91.10	91.54	91.57	91.67
OIL	63.94	64.92	95.24	64.06	65.88
GOLD	4671	4765	4837	4913	4979
India 10yr	6.6842	6.6722	6.6536	6.6352	6.6635
US 10yr	4.263	4.295	4.253	4.251	4.239
NIFTY 50	25557	25225	25167	25318	25066
SENSEX	83141	82153	81919	82389	81578

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 6.6635 at 1.32 bps below the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (1.32 bps Below), 10Y UST (5.0 bps above), 10Y Bund (2.01 bps above), and 10Y UKT (2 bps below).

The Bank of Japan kept its key short-term interest rate unchanged at 0.75% at its first policy meeting of 2026, maintaining borrowing costs at their highest level since September 1995, ahead of February's snap election.

Germany's HCOB Manufacturing PMI rose to 48.7 in January 2026, up from 47.0 in December and above market expectations of 47.8, according to preliminary data.

Bond Investments by Japanese abroad decreased by 361.40 billion yen in the week ending January 17 of 2026. Foreign Bond Investment in Japan averaged 169.20 JPY Billion from 2005 until 2026, 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.

China's industrial production advanced 5.2% yoy in December 2025, accelerating from a 4.8% rise in the previous month and surpassing market expectations of 5.0%.

Consumer Price Index CPI In the Euro Area increased to 129.54 points in December from 129.33 points in November of 2025. Consumer Price Index CPI in the Euro Area averaged 94.58 points from 1996 until 2025.



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Liquidity Operation by RBI

DATE	VRRR	MSF	SDF
JAN 12	-	291	157091
JAN 13	-	925	114646
JAN 14	29114	788	119519
JAN 15	-	4437	154487
JAN 16	-	885	135566
JAN 17	-	177	135579

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	JAN 17. 2025	JAN 09. 2025	JAN 16. 2026
	1	2	3
Call Money	16683	31815	25176
Notice Money	6324	1854	10963
Triparty Repo	779174	771014	958361
Market Repo	661241	654925	796114
Corporate Bond Repo	7717	12461	17235

MOST ACTIVELY TRADED DEBT.

Paper	Yield (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 23H 7.58 LOA 31JL26 FVRS1LAC	7.3791	99.9629
TORRENT PHARMACEUTICALS LTD SR 3 7.70 NCD 18JN30 FVRS1LAC	7.6750	100.0600
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA SR VIII 7.49 BD 11JU29 FVRS1LAC	7.2600	100.5876

INDIAN MARKET UPDATE

The Reserve Bank of India conducted an OMO purchase auction on January 22, 2026, with settlement on January 23, notifying a total purchase amount of ₹50,000 crore, against which market participants offered ₹98,568 crore, reflecting strong demand, and the RBI accepted the full notified amount. Demand was concentrated in 7.10% GS 2029 and 6.67% GS 2035, with offers of ₹26,425 crore and ₹34,874 crore, of which ₹13,620 crore and ₹19,960 crore were accepted, respectively, while other purchases included ₹10,717 crore of 7.57% GS 2033, ₹3,474 crore of 7.09% GS 2054, ₹1,100 crore of 6.19% GS 2034, ₹704 crore of 7.54% GS 2036, and ₹425 crore of 6.10% GS 2031.

Budget 2026 will be crucial for India's bond market, with investors seeking fiscal continuity, credible deficit targets and transparent consolidation. Borrowing strategy, capex execution, and small savings flows will shape yields, while improved market microstructure gains importance amid deferred global index inclusion, making trust between fiscal policy and markets essential. Investors are exploring Power Finance Corporation zero coupon bonds for diversification. These bonds offer attractive posttax returns, surpassing bank deposits and tax-free bonds. With falling interest rates, there is potential for capital appreciation in the coming years. The issue is currently open for subscription, providing an opportunity to lock in gains.

UPCOMING AUCTIONS

27th January - RBI announced the SDLauction, in which 15 states will be raising aggregating to 39,800 crores.

28th 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

	19 JAN	20 JAN	21 JAN	22 JAN	23 JAN
OPEN	90.7	90.9	91.1	91.5	91.5
HIGH	91.0	91.1	91.7	91.6	91.9
LOW	90.6	90.8	90.9	91.2	91.4
CLOSE	90.9	91.1	91.5	91.5	91.6

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
26- JAN	2030 EU-Bonds Auction, Singapore Industrial Production, US durable goods order, US Dallas Manufacturing Index
27- JAN	China Industrial Production, US ADP employment Change
28- JAN	BOJ monetary policy minutes, India industrial Production, India M3 money supply, Rusia PPI
29- JAN	US Fed Rate cut, Japan Foreign Bond Investment, Us initial jobless claim, US balance of trades, US factory orders, EA industrial sentiments, EA M3 money supply
30- JAN	Japan Unemployment rate, Japan Industrial Production, EA GDP growth rate, India government budget value, India Foreign Reserve, US CPI, US PPI, India Bank Loan Growth YOY, India Deposit Growth Rate

CURRENCY MOVEMENT

Foreign Exchange Reserves in India increased to 701360 USD Million in January 16 from 687190 USD Million in the previous week. Foreign Exchange Reserves in India averaged 312604.52 USD Million from 1998 until 2026, reaching an all time high of 704890 USD Million in September of 2024.

The Indian rupee weakened slightly on Tuesday, closing at 90.19 against the dollar. This dip followed news that Indian bonds will not be included in a global index. Traders noted the Reserve Bank of India intervened to prevent a sharper fall.

The rupee breached the 91-a-dollar mark for the second time in a month before ending 14 paise down at 90.92 (provisional) against the greenback on Monday (January 19, 2026), as renewed concerns over global trade uncertainties accelerated foreign fund withdrawal.

KEY UPDATES AND WEEK AHEAD:

China Growth & Rebalancing:

Q4 mainland China GDP is expected to grow 4.5% y/y, the slowest since early 2023, rounding out 5% growth for 2025. While growth is forecast to ease in 2026, continued monetary, fiscal and industrial stimulus should support a rebalancing toward stronger domestic demand, with IP, retail sales and investment data key to assessing progress.

Central Bank & Inflation Signals:

The Bank of Japan is expected to hold rates after lifting its policy rate to a 30-year high of 0.75%, signalling caution despite firmer growth and inflation. In the US, attention shifts from Q3 GDP revisions to PCE inflation, providing a cross-check after CPI showed headline inflation at 2.7% and core at 2.6%.

UK Data & Rate Cut Expectations:

The UK labour market, retail sales and inflation updates follow modest growth and a sharp disinflation to 3.2% in November. Further easing in inflation alongside continued job losses would strengthen the case for additional Bank of England rate cuts, especially if labour market weakness persists.

