



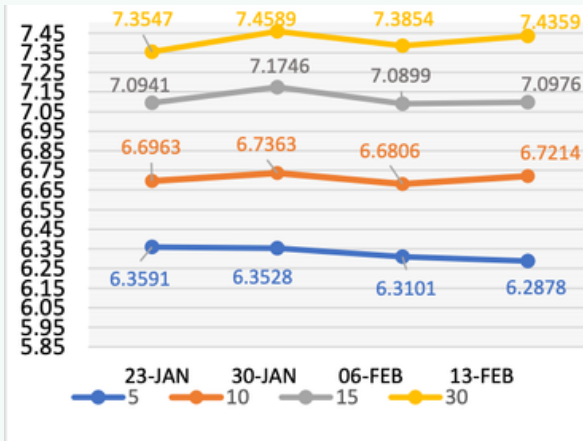
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 21st, February, 2026

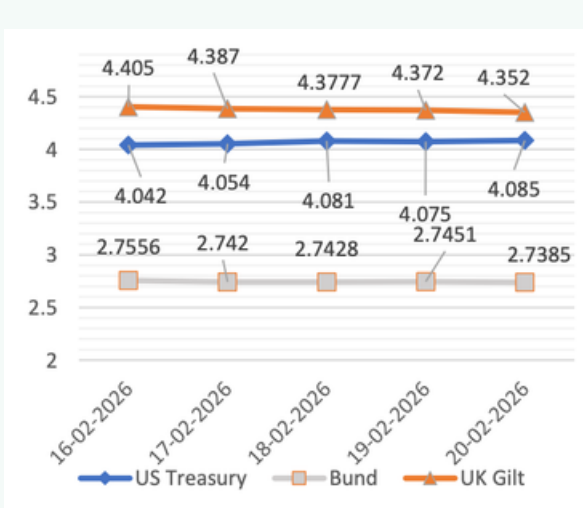
MARKET OVERVIEW

MARKETS	19 JAN	20 JAN	21 JAN	22 JAN	23 JAN
USD/INR	90.779	90.632	90.804	91.038	90.730
OIL	68.65	67.42	70.35	71.66	71.76
GOLD	5010	4905	5009	4997	5080
India 10yr	6.6642	6.6600	6.6780	-	6.7214
US 10yr	4.042	4.054	4.081	4.075	4.085
NIFTY 50	25681	25715	25804	25413	25565
SENSEX	83305	83434	83688	82348	82793

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 6.7214 at 4.08 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (4.08 bps above), 10Y UST (2.9 bps above), 10Y Bund (2 bps below), and 10Y UKT (7 bps below).

Core PCE Price Index MoM in the United States increased to 0.40 percent in December from 0.20 percent in November of 2025. Core PCE Price Index MoM in the United States averaged 0.26 percent from 1959 until 2025.

The Gross Domestic Product (GDP) in the United States expanded 1.40 percent in the fourth quarter of 2025 over the previous quarter.

Japan's trade deficit decreased significantly to JPY 1,152.7 billion in January 2026 from JPY 2,741.7 billion in the same month a year earlier, beating market expectations for a JPY 2,142.1 billion shortfall, as exports jumped while imports declined.

The yield on Germany 6 Month Bond Yield rose to 2.00% on February 16, 2026, marking a 0.01 percentage points increase from the previous session.

Eurozone industrial production declined by 1.4% month-on-month in December 2025, reversing a downwardly revised 0.3% increase in November and broadly matching expectations for a 1.5% fall.





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Liquidity Operation by RBI

DATE	VRRR	MSF	SDF
JAN 12	-	712	451983
JAN 13	-	754	477450
JAN 14	-	716	424012
JAN 15	-	729	440116
JAN 16	-	726	459633
JAN 17	-	20	370372

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	FEB 14. 2025	FEB 06. 2026	FEB 13. 2026
	1	2	3
Call Money	22880	19656	21624
Notice Money	6963	6308	2071
Triparty Repo	788692	805550	808798
Market Repo	658189	58114	570489
Corporate Bond Repo	7343	20688	22847

MOST ACTIVELY TRADED DEBT.

Paper	Yield (%)	LTP
POWER FINANCE CORPORATION LIMITED SR 258A 6.92 BD 16FB28 FVRS1LAC	6.9260	100.0200
POWER FINANCE CORPORATION LIMITED SR 258B 7.24 BD 17FB31 FVRS1LAC	7.1720	100.3855
LIC HOUSING FINANCE LTD TR 448 7.74 NCD 22OT27 FVRS1LAC	7.1800	100.5876
TATA CAPITAL LIMITED SR P STRPP II 8.30 NCD 16MR27 PPRS1000	7.4000	183.9647

INDIAN MARKET UPDATE

The infrastructure output in India expanded by 4.0% from the previous year in January of 2026, slowing from the upwardly revised, 11-month high of 4.7% to mark a third straight period of increase.

Foreign Exchange Reserves in India increased to 725730 USD Million in February 13 from 717060 USD Million in the previous week. Foreign Exchange Reserves in India averaged 313742.86 USD Million from 1998 until 2026, reaching an all time high of 725730 USD Million in February of 2026 and a record low of 29048 USD Million in September of 1998.

The HSBC India Composite PMI increased to 59.3 in February 2026 from a final 58.4 in the previous month, flash data showed. It was the highest reading since last November, amid a quicker upturn in factory production, as growth of services activity was broadly similar to that in January.

The HSBC India Manufacturing PMI rose to 57.5 in February 2026 from 55.4 in January, preliminary estimates showed.

India recorded a trade deficit of 34.68 USD Billion in January of 2026. Balance of Trade in India averaged -4.16 USD Billion from 1957 until 2026, reaching an all-time high of 0.71 USD Billion in June of 2020 and a record low of -41.68 USD Billion in October of 2025.

India's wholesale manufacturing prices increased 2.86% year-on-year in January 2026, accelerating from a 1.82% rise in December, and marking the fastest growth since March 2025.

UPCOMING AUCTIONS

24TH FEBRUARY - RBI announced the SDL auction, in which 16 states will be raising aggregating to 44,550 crores.

25TH FEBRUARY - RBI announced the auction of T bills for 91 days, 182 days, and 364 days for 14,000, 12000, & 8000 crores respectively.





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INR DOLLAR EXCHANGE

	16 FEB	17 FEB	18 FEB	19 FEB	20 FEB
OPEN	90.5	90.7	90.6	90.7	91.0
HIGH	90.8	90.8	90.8	91.2	91.0
LOW	90.5	90.6	90.5	90.7	90.7
CLOSE	90.7	90.6	90.8	91.0	90.7

INTEREST RATES

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

KEY EVENTS

DATE	EVENTS
23- FEB	EU-BOND AUCTION, SINGAPORE INFLATION RATE, US FACTORY ORDERS, CHICAGO FED NATIONAL ACTIVITY INDEX
24- FEB	US ADP EMPLOYMENT CHANGE WEEKLY, US WHOLESALE INVENTORIES, US MONEY SUPPLY
25- FEB	SINGAPORE GDP GROWTH RATE, AUSTRALIA INFLATION RATE, GERMANY GDP GROWTH, EA CPI FINAL, EA CORE INFLATION, RUSSIA INDUSTRIAL PRODUCTION
26- FEB	JAPAN FOREIGN BOND INVESTMENT, SINGAPORE INDUSTRIAL PRODUCTION, US INITIAL JOBLESS CLAIM, US CONTINUING JOBLESS CLAIM
27- FEB	JAPAN CPI, GERMANY IMPORT PRICES, FRANCE GDP GROWTH RATE, INDIA GDP GROWTH RATE, US CPI, USPPI

CURRENCY MOVEMENT

Foreign portfolio inflows and the rupee have strengthened after India's free trade agreement with the European Union and an interim trade deal with the United States, the Reserve Bank of India said in its monthly bulletin on Friday. Foreign portfolio investment to India recorded net outflows of \$5.8 billion between April 2025 and February 3, 2026.

India's foreign exchange reserves rose by \$8.66 billion from a week earlier to hit an all-time high of \$725.727 billion in the week ending February 13, latest data released by the Reserve Bank of India (RBI) showed on Friday. The previous all-time high of \$723.774 billion was touched in January.

The Indian rupee weakened by nearly 30 paise to 90.94 per dollar from 90.67 in the previous session, pressured by broad dollar strength driven by solid U.S. labour market data that reinforced a hawkish Federal Reserve outlook, while escalating U.S.- Iran tensions boosted safe-haven demand and lifted oil prices, further weighing on the domestic currency.

KEY UPDATES AND WEEK AHEAD:

Global PMI & Growth Shifts:

February flash PMIs will provide fresh signals on global growth, inflation and hiring trends. January showed slower US momentum, stronger growth in Japan, UK and Australia, and improving sentiment in the eurozone despite modest output.

US & Japan - Inflation and GDP in Focus:

The US releases PCE inflation (last at 2.8%), Q4 GDP, Fed minutes, durable goods and industrial production data, all key for rate expectations after the Fed paused. Japan also reports Q4 GDP and inflation, where stronger data could strengthen the case for an earlier BoJ rate hike.

UK, Eurozone & APAC Policy Watch:

UK labour market, inflation and retail sales data will shape expectations for the Bank of England after its close hold decision. The eurozone sees updates to confidence and industrial production, while New Zealand, Indonesia and the Philippines announce rate decisions.

