



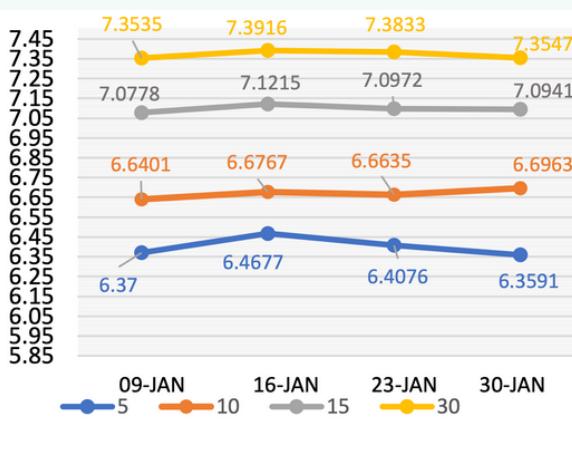
SOVEREIGN GLOBAL MARKET PRIVATE LIMITED

Indian Debt Market - Weekly Report - 1st February, 2026

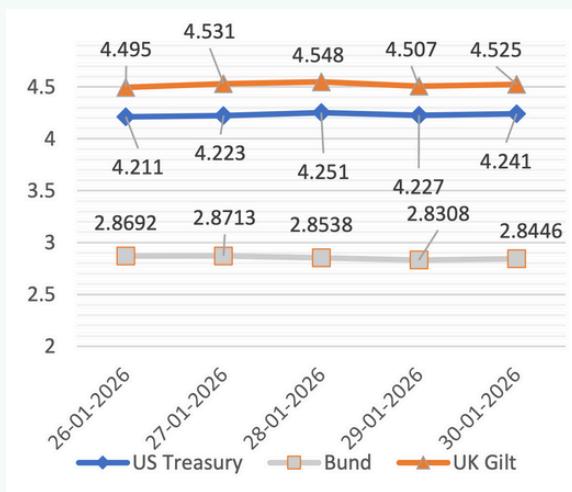
MARKET OVERVIEW

MARKETS	26 JAN	27 JAN	28 JAN	29 JAN	30 JAN
USD/INR	91.713	91.474	92.043	91.782	91.694
OIL	65.59	67.57	68.40	70.71	70.69
GOLD	5122	5120	5340	5375	4763
India 10yr	6.7194	6.7026	6.6948	6.6963	
US 10yr	4.211	4.223	4.251	4.227	4.241
NIFTY 50	-	25236	25347	25416	25318
SENSEX	-	82044	82340	82543	82257

INDIA BOND YIELD (%)



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 3.28 bps above the previous week's closing figure.

The weekly movement in spreads include 10Y Indian Treasuries (3.28 bps above), 10Y UST (1.0 bps above), 10Y Bund (6 bps below), and 10Y UKT (1 bps below).

The Eurozone economy grew by 0.3% quarteron-quarter in Q4 2025, matching the pace of the previous quarter and slightly above market expectations of 0.2%, according to a flash estimate.

The Euro Area seasonally adjusted unemployment rate eased for the second month to 6.2% in December 2025, tying the record lows from late 2024 and down from 6.3% in November.

The yield on Japan 2 Year Bond Yield eased to 1.24% on January 30, 2026, marking a 0.02 percentage points decrease from the previous session. 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%.

The Fed left the federal funds rate unchanged at the 3.5%-3.75% target range in its January 2026 meeting, in line with expectations, after three consecutive rate cuts last year that pushed borrowing costs to their lowest level since 2022. Governors Stephen Miran and Christopher Waller however, voted against the hold, with both advocating another 25bps cut.

Bond Investments by Japanese abroad increased by 177.60 billion yen in the week ending January 24 of 2026. Foreign Bond Investment in Japan averaged 169.21 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.





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Liquidity Operation by RBI

DATE	VRRR	MSF	SDF
JAN 19	58740	231	154012
JAN 20	-	1206	144630
JAN 21	26535	1730	94136
JAN 22	50010	147	158854
JAN 23	-	963	154409
JAN 24	-	65	136770

AVERAGE DAILY TURNOVER

ITEM	WEEK ENDED		
	JAN 24. 2025	JAN 16. 2025	JAN 23. 2026
	1	2	3
Call Money	20631	25176	27303
Notice Money	1396	10963	2055
Triparty Repo	649147	958361	825908
Market Repo	525850	796414	631318
Corporate Bond Repo	6711	17235	18256

MOST ACTIVELY TRADED DEBT.

PAPER	YIELD (%)	LTP
NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT SR 25G 7.48 BD 15SP28 FVRS1LAC	7.3791	99.9629
POWER FINANCE CORPORATION LIMITED SR BS221B 7.59 BD 17JN28 FVRS10LAC	7.6750	100.0600
REC LIMITED SR 239 BD 03NV34 FVRS1LAC	7.2600	100.5876
INDIAN OVERSEAS BANK SR VI 7.80 BD 23JN36 FVRS1CR	7.7966	99.9500

INDIAN MARKET UPDATE

India recorded a government budget deficit of 855840 INR Tens of Million in December of 2025. Government Budget Value in India averaged - 335788.18 INR Tens of Million from 1997 until 2025, reaching an all time high of -9406 INR Tens of Million in April of 1997 and a record low of - 1821461 INR Tens of Million in March of 2021.

The value of loans in India increased 13.10 percent in January of 2026 over the same month in the previous year. Loan Growth in India averaged 11.76 percent from 2012 until 2026, 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.

The RBI's OMO purchase auction on January 29, 2026 saw the full ₹50,000 crore notified amount absorbed across seven securities, led by ₹14,150 crore in 7.26% GS 2033, followed by ₹11,264 crore in 7.17% GS 2030 and ₹9,185 crore in 7.95% GS 2032. Smaller purchases were made in 6.75% GS 2029 (₹5,254 crore), 7.30% GS 2053 (₹5,260 crore), 7.18% GS 2037 (₹2,583 crore) and 6.22% GS 2035 (₹2,304 crore). Cut-off yields ranged from 6.18% (2029) to 7.36% (2053), with prices spanning ₹96.68-₹106.50, and detailed results are awaited.

The industrial production in India rose by 7.9% from the previous year in December of 2025, picking up from the upwardly revised 7.2% advance in the earlier month and above market expectations of a 5.5%.

Manufacturing Production in India increased 8.10 percent in December of 2025 over the same month in the previous year.

UPCOMING AUCTIONS

03RD FEBRUARY - RBI announced the SDL auction, in which 14 states will be raising aggregating to 36,500 crores.

04TH FEBRUARY - 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

	26 JAN	27 JAN	28 JAN	29 JAN	30 JAN
OPEN	91.5	91.7	91.5	92.0	91.8
HIGH	91.7	91.8	92.2	92.1	92.0
LOW	91.5	91.4	91.4	91.7	91.6
CLOSE	91.7	91.4	92.0	91.7	91.6

INTEREST RATES

COUNTRY	CURRENT	PREVIOUS
INDIA	5.25	5.50
USA	4.00	4.00
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
02- FEB	US ISM Manufacturing PMI, Worldwide Manufacturing PMIs, incl. global PMI
03- FEB	US JOLTs Job Openings, South Korea Inflation, Australia RBA Interest Rate Decision
04- FEB	US ADP Employment Change, US ISM Services PMI, Eurozone Inflation
05- FEB	US Initial Jobless Claims, US Balance of Trade, Germany Factory Orders, Eurozone HCOB Construction PMI, Eurozone ECB Interest Rate Decision, UK BoE Interest Rate Decision, Eurozone Retail Sales
06- FEB	India RBI Interest Rate Decision, US Non-Farm Payrolls, Unemployment Rate, Average Hourly Earnings, US UoM Sentiment

CURRENCY MOVEMENT

Foreign Exchange Reserves in India increased to 709410 USD Million in January 23 from 701360 USD Million in the previous week. Foreign Exchange Reserves in India averaged 312882.98 USD Million from 1998 until 2026, reaching an all time high of 709410 USD Million in January of 2026 and a record low of 29048 USD Million in September of 1998.

The Indian rupee hit a record low against the dollar on Thursday, pressured by dollar demand linked to the maturity of non-deliverable forward positions and corporate hedging, while the central bank likely intervened to hold it above the psychologically significant 92 level.

KEY UPDATES AND WEEK AHEAD:

Global PMI & Growth Signals:

Flash manufacturing and services PMIs will set the tone for early-2026 growth, after global activity cooled to a six-month low in December. While the US slowdown appears to have persisted into January, Europe and Japan are showing more encouraging momentum, with China and ASEAN PMIs watched closely for signs of resilience in global trade.

US Labour Market in Focus:

The US non-farm payrolls report is the key risk event, with recent job gains subdued (50k in December, 56k in November) and unemployment at 4.4%, a four-year high. With inflation less problematic than feared, the Fed's focus is on labour market weakness, though markets increasingly believe a deeper deterioration may be needed to justify further rate cuts.

Central Bank Decisions - Diverging Paths:

The ECB is expected to hold rates, citing neartarget inflation and modest growth improvement. The BoE faces a tougher trade-off, with easing inflation but a weakening labour market, making a March rate cut possible despite no move expected this week. In Australia, expectations of a February hike have risen after strong CPI prints, though PMI data suggest price pressures may ease ahead

